in the construction of high-voltage transmission. While I am not such an expert, I am impressed by evidence that Western Europe is tied together in a huge power grid, greatly increasing the available supply of electricity. The special Senate subcommittee which visited electric power installations in Russia inspected a vast network of high-voltage transmission lines. Since private industry hasn't built such a network of transmission lines here, public power must again shoulder part of the job.

We need to get on with the job of bringing our transmission system up to date in preparation for the vast increase in power requirements which we can expect during the stirring sixties, or, to use your convention theme—the new era.

In this effort, of course, the individual utilities have a big part to play.

Already steps are being taken by some of you toward interconnection of your systems; proposals for joint power supply are underway. I am glad to see that you plan to devote an entire session to this subject tomorrow at your panel on "Joint Power Supply—Pattern for the New Era."

One of the best pictures of the new era that I know of was prepared by your own association for the Senate Select Committee on National Water Resources.

The American Public Power Association pointed out in a detailed memorandum to the select committee that estimates of future power needs characteristically are too low. The official estimates of the Federal Power Commission have been worked over and revised periodically, as the actual use of electricity has far outstripped Federal Power Commission estimates.

In setting a high goal for itself, public power is bound to have a stimulating effect upon the economy as a whole. But its devotion to providing more power at lower cost to consumers, public power can help all American consumers both by doing a good job for its own consumer-owners and by needling the private power companies to do a better job.

While I haven't talked much of our friends of private power, not because I don't appreciate the vast importance of their 80 percent of the consumer market, but because I confidently expect the public power systems and rural electric cooperatives to lead the industry in experiments, venturesomeness, and new ideas, as we enter the new era of electrical abundance.

With 80 percent of the market they control, it seems to me private interests could find enough to do to prepare constantly for that expanding market, without wasting so much money on a propaganda campaign of distortion against our public power authorities.

Certainly, I don't question the need for both private and public power in this country, and I recognize that many of the private companies are doing a good job for their customers.

I do feel, however, that too many of the leading lights of private power have resisted change, have opposed a low-rate policy, have fought public power competition in an unfair manner, and generally have been about as enlightened as William McKinley.

In public power, the private companies have a challenge and they recognize it clearly, but their response is not to get out and sell electricity at competitive rates, which is right and proper. Their methods have been to destroy the opposition by political pressures, by propaganda, and by that highly regarded new science known as molding public opinion.

The time has come, I believe, when we should have a progressive effort by both private and public power to meet the great and growing electrical power needs of this Nation and the free world.

Today, with communism in Cuba just 90 miles from our shores, we have little time for fighting among ourselves for any reason. Today, with the crisis in Laos bringing us to the brink of a planetary war with the onrushing hordes of communism, we cannot afford to waste so much time in an effort to destroy one another here at home.

Demands of tomorrow in a vibrant, powerful expanding economy—our first line of defense against those who would wipe freedom from the earth—will dwarf the electric power requirements of the past.

We are heading into a 15-year period in history where it is predicted that our electrical power requirements will quadruple. It is estimated that by 1975, we will be using 2⅓ times as much power per worker in industry and about 2½ times as much electricity in the average home. The result is that by 1975 more than four times as much power will be consumed each year.

Mankind's progress in this age of science and technology does not depend alone on the success of our research scientists. It depends in greater degree on our ability as a people to accept change and to seize our opportunities for a better life for all men.

We stand near the threshold of a bright new world, where nuclear research may cure most dread diseases; where salt water may be made fresh so "the desert may bloom as the rose"; and where men may travel to the stars and bring back treasures more precious than Columbus and other explorers found in the New World.

There is a great challenge before us on President John F. Kennedy's New Frontier. It is a challenge not just for the few, but for the many; not just for the wise, but for the courageous; not just for those wealthy in bank accounts, but for those rich in compassion, hope and vision.

Some of the decisions before us will be more revolutionary and controversial than the public power program was in its beginning, and much more important to the destiny of man.

In the final analysis, we and our children will be called upon to decide whether America—as the torchbearer of world freedom—will practice the social justice freedom demands; whether as a people professing the Christian ethic, we will find it in our hearts to follow the gospel of "Brotherhood among men to feed the hungry and care for the ill"; whether as a people intelligently pursuing peace while zealously protecting the ideal of human liberty, we can find a way to endure in a world "half free and half slave."

These are some of the grave challenges before us on the New Frontier. But with Americans like you leaders in the public power field, leaders who have demonstrated vision linked with faith, I have no doubt we can meet these trials, and more, so long as we "do justly, love mercy and walk humbly with God."

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 2, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

St. Paul's affirmation concerning God, Acts 17: 28: *For in Him we live, and move, and have our being.*

Our kind Heavenly Father, who art daily making us the beneficiaries of Thy bountiful providence, inspire us to believe that Thou art deeply concerned about us in these times of world tragedy.

May we be more fully aware of how dependent we are upon Thee and how able and willing Thou art to supply our many needs and gird us with insight and strength to meet life's duties and demands.

Grant that Thy continuing care and goodness may evoke within us the spirit of humility and gratitude and give us the assurance that where Thou dost guide Thou wilt also provide.

Help us to stand in the noble succession and sublime tradition of those who, in every generation, have put themselves on the side of faith and yielded to its appeals and pressures when besieged and harassed by moods of fear and anguish.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a bill and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 1748. An act to provide for the increased distribution of the CONGRESSIONAL RECORD to the Federal judiciary.

S.J. Res. 24. Joint resolution designating the fourth Sunday in September of each year as "Interfaith Day."

S.J. Res. 34. Joint resolution designating the week of October 9–15, 1961, as National American Guild of Variety Artists Week.

S.J. Res. 65. Joint resolution designating the week of May 14–20, 1961, as Police Week and designating May 15, 1961, as Peace Officers Memorial Day.

S.J. Res. 68. Joint resolution providing for the designation of the week commencing October 1, 1961, as "National Public Works Week."

FAIR LABOR STANDARDS AMENDMENTS OF 1961

Mr. ROOSEVELT submitted conference report and statement on the bill (H.R. 3935) to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in commerce or in the production of goods for commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

WORTHINGTON OIL REFINERS, INC.

The Clerk called the bill (H.R. 1414) for the relief of the Worthington Oil Refiners, Inc.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

COL. JOHN T. MALLOY

The Clerk called the bill (H.R. 1449) for the relief of Col. John T. Malloy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Colonel John T. Malloy, O–18576, United States Army, the sum of $1,347.59, in full satisfaction of all claims against the United States for reimbursement of expenses incurred by him in connection with the payment of ocean freight transportation on his private automobile from San Francisco, California, to Java and return. The Army orders issued incident to these shipments authorized the transport of one privately owned automobile by Army transport subject to availability of space, and, inasmuch as no Army transport service to Java existed and the Department of the Army had no discretion to ship the automobile by other means, and it was found after Colonel Malloy's arrival in Java on or about January 29, 1949, that the automobile was necessary to the establishment of a new military liaison office and the performance of his duty as assistant military attaché, Batavia, Netherlands East Indies, shipment of his automobile by commercial transport was arranged on or about May 13, 1949, at a cost of $634.47, and also at the time of his return on or about March 18, 1950, at a cost of $713.12, as Army transport service to Java had not been established: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMMETT P. DYER

The Clerk called the bill (H.R. 1623) for the relief of Emmett P. Dyer.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

LOUIS J. ROSENSTEIN

The Clerk called the bill (H.R. 2686) for the relief of Louis J. Rosenstein.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

MRS. MAURICIA REYES

The Clerk called the bill (H.R. 3843) for the relief of Mrs. Mauricia Reyes.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

MR. AND MRS. JAMES H. McMURRAY

The Clerk called the bill (H.R. 4872) for the relief of Mr. and Mrs. James H. McMurray.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

HELEN TILFORD LOWERY

The Clerk called the bill (H.R. 1887) for the relief of Helen Tilford Lowery.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

BERNHARD F. ELMERS

The Clerk called House Resolution 112.

There being no objection, the Clerk read the House resolution, as follows:

Resolved, That the bill (H.R. 2676) entitled "A bill for the relief of Bernhard F. Elmers," together with all accompanying papers, is hereby referred to the Court of Claims pursuant to section 1492 and 2509 of title 28, United States Code; and the court shall proceed expeditiously with the same and report to the House, at the earliest practicable date, such findings of fact, including facts relating to delay or laches, facts bearing upon the question whether the bar of any statute of limitation should be removed, or facts claimed to excuse the claimant for not having resorted to any established legal remedy, and conclusions based on such facts as shall be sufficient to inform Congress whether the demand is a legal or equitable claim or a gratuity, and the amount, if any, legally or equitably due from the United States to the claimant.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GEORGE A. McDERMOTT

The Clerk called the bill (H.R. 3376) for the relief of George A. McDermott.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That George A. McDermott of New York, New York, is hereby relieved of all liability to repay to the United States, either in money or in annual leave time, the forty-eight days of annual leave, which, through administrative error involving no fault on the part of George A. McDermott, he was erroneously credited with and was permitted to use during his employment, which began August 31, 1950, with the Corps of Engineers, United States Army, New York District.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That George A. McDermott of New York, New York, is hereby relieved of liability to the United States in the net amount of $658.19, which sum represents the monetary value of approximately forty-five days of annual leave, which, through administrative error involving no fault on the part of George A. McDermott, he was credited with and was permitted to use during his employment, which began August 31, 1950, with the Corps of Engineers, United States Army, New York District. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for any amount for which liability is relieved by this Act.

"SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George A. McDermott, an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him, in complete or partial satisfaction of the liability to the United States specified in the first section."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

M. SGT. LOUIS BENEDETTI

The Clerk called the bill (H.R. 3846) for the relief of M. Sgt. Louis Benedetti, retired.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Master Sergeant Louis Benedetti, retired (RA-6430103), is hereby relieved of all liability to repay to the United States the sum of $756.01, representing the total of amounts erroneously paid to him as military retired pay by the United States for the period beginning August 1, 1946, and ending July 31, 1955, both dates inclusive. The erroneous payments were made because of an incorrect certification by the Adjutant General of the United States Army of the total amount of military service of the said Louis Benedetti creditable for the purpose of computing his military retired pay. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be allowed for all amounts for which liability is relieved by this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KEITH K. HOOVER

The Clerk called the bill (H.R. 4027) for the relief of Keith K. Hoover.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and

directed to pay, out of any money in the Treasury not otherwise appropriated, to Keith K. Hoover, Lombard, Illinois, the sum of $500 in full settlement of all claims against the United States for refund of the amount of a departure bond deposited by him on behalf of one Franz Langhammer which bond was declared breached and the amount thereof forfeited on the basis that the said Franz Langhammer, while engaged in his studies at Northwestern University, Evanston, Illinois, was employed as a part-time graduate assistant in the German language at that institution: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of servics rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. McCULLOCH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McCULLOCH. Mr. Speaker, this is a bill, H.R. 4027, to refund the sum of $500 to Keith K. Hoover which was forfeited on a departure bond executed on behalf of an alien German student. The bond was forfeited as a result of the student, Franz Langhammer, accepting a part-time job as a student assistant in the German Language Department of Northwestern University. The student was admitted to the United States for the purpose of pursuing language studies and it is evident that accepting this part-time job did not alter the status of the student. In view of the innocence of the parties, I am of the opinion that it would be unjust to require payment of this sum of $500 and I therefore filed this bill to authorize a full and complete refund. This bill creates no precedent.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BUNGE CORP., NEW YORK, N.Y.

The Clerk called the bill (H.R. 5500) for the relief of Bunge Corp., New York, N.Y.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any moneys in the Treasury not otherwise appropriated, to Bunge Corporation, New York, New York, the sum of $1,082.58. The payment of such sum shall be in full settlement of all claims of the said Bunge Corporation against the United States on account of the erroneous appraisement and liquidation of New York consumption entry numbered 842743 of March 8, 1951, resulting in excessive customs duties being charged against such merchandise: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAVID C. THOMAS ET AL.

The Clerk called the bill (H.R. 5647) for the relief of David C. Thomas, Robert W. Barber, Milton A. Chace, and Richard F. Turner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Reperesentatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to David C. Thomas, 10412 Montrose Avenue, Bethesda, Maryland, the sum of $976; to Robert W. Barber, 10508 Montrose Avenue, Bethesda, Maryland, the sum of $2,613.61; to Milton A. Chace, 13229 Steel Avenue, Detroit, Michigan, the sum of $1,638.02; to Richard F. Turner, 3683 Jennifer Street, San Diego, California, the sum of $1,968; in full settlement of their claims against the United States for per diem during 1957 and 1958 which was promised them at the time they were recruited to take part in the Atomic Energy Commission junior professional development program in nuclear technology: *Provided*, That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NARINDER SINGH SOMAL

The Clerk called the bill (H.R. 1710) for the relief of Narinder Singh Somal.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Narinder Singh Somal shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOVENAL GORNES VERANO

The Clerk called the bill (H.R. 1860) for the relief of Jovenal Gornes Verano.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Jovenal Gornes Verano shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIE F. BALISH

The Clerk called the bill (H.R. 2165) for the relief of Marie F. Balish.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of the Immigration and Nationality Act, Marie F. Balish shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof, the following:

"that, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Marie F. Balish. From and after the date of the enactment of this Act, the said Marie F. Balish shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HANS HANGARTNER

The Clerk called the bill (H.R. 2351) for the relief of Hans Hangartner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Hans Hangartner shall be held and considered to have been lawfully admitted to the United States for permanent residence as of August 10, 1953.

SEC. 2. For the purposes of title III of the Immigration and Nationality Act, the provisions of 315(a) thereof shall be held not

to be applicable to the alien named in section 1 of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH MAZ

The Clerk called the bill (H.R. 2991) for the relief of Joseph Maz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Joseph Maz shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BERNARD JACQUES GERARD CARADEC

The Clerk called the bill (H.R. 3489) for the relief of Bernard Jacques Gerard Caradec.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Bernard Jacques Gerard Caradec shall be held and considered to have been lawfully admitted to the United States for permanent residence as of of May 23, 1946.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANGELO LI DESTRI

The Clerk called the bill (H.R. 1717) for the relief of Angelo Li Destri.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 203(c) of the Immigration and Nationality Act and section 4 of the Act of September 22, 1959 (73 Stat. 644), Angelo Li Destri shall be held and considered to have been, on August 12, 1953, the minor child of Raffaele Li Destri, a lawfully resident alien in the United States.

With the following committee amendment:

On page 1, line 6, after the words "have been" strike out the comma and the remainder of the bill and substitute in lieu thereof the following: "registered as an intending immigrant on August 12, 1953, and the petition approved in his behalf shall be held and considered to have been approved prior to January 1, 1959."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAIME E. CONCEPCION

The Clerk called the bill (H.R. 1718) for the relief of Jaime E. Concepcion.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Jaime E. Concepcion shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DJURA ZELENBABA

The Clerk called the bill (H.R. 1293) for the relief of Djura Zelenbaba.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Djura Zelenbaba, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Djura Zelenbaba, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNA B. PROKOP

The Clerk called the bill (H.R. 1360) for the relief of Anna B. Prokop.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Anna B. Prokop shall be held and considered to be the natural-born alien child of Mr. and Mrs. Miron Prokop, citizens of the United States.

With the following committee amendments:

On page 1, at the end of line 4, insert a comma after the word "child".

On page 1, line 7, at the end of the bill, change the period to a colon and add the following: *"Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIAN WALCZYK

The Clerk called the bill (H.R. 1425) for the relief of Marian Walczyk.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Marian Walczyk, shall be held and considered to be the natural-born alien child of John and Stanislawa Walczyk, citizens of the United States.

With the following committee amendments:

On page 1, at the end of the bill, add the following:

"SEC. 2. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Marya Marek, shall be held and considered to be the natural born alien child of Mr. and Mrs. John Marek, citizens of the United States.

"SEC. 3. The natural parents of the beneficiaries of this act shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Marian Walczyk and Marya Marek."

A motion to reconsider was laid on the table.

ADAM AND EDMUND WOJTOWICZ

The Clerk called the bill (H.R. 1441) for the relief of Adam and Edmund Wojtowicz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor children, Adam and Edmund Wojtowicz, shall be held and considered to be the natural-born alien children of Mr. and Mrs. Raymond Wojtowicz, citizens of the United States: *Provided,* That the natural parents of the beneficiaries shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendments:

On page 1, line 6, after "natural-born" insert the word "alien".

On page 1, line 7, after the words "of the United States" strike out the colon and substitute a period and strike out the remainder of the bill.

Add four new sections to read as follows:

"SEC. 2. For the purpose of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Krystyna Synowiecki shall be held and considered to be the natural-born alien child of Mr. and Mrs. Frank Synowiecki.

"SEC. 3. For the purpose of section 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Eva Anna Marchewka, shall be held and considered to be the natural-born alien child of Mr. and Mrs. John Marchewka, citizens of the United States.

"SEC. 4. For the purposes of section 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Kazimierz Niezabitowski shall be held and considered to be the natural-born alien child of Mr. and Mrs. Edward Niezabitowski, citizens of the United States.

"SEC. 5. The natural parents of the beneficiaries of this Act shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of certain aliens."

A motion to reconsider was laid on the table.

PIETRO DIGREGORIO BRUNO

The Clerk called the bill (H.R. 2107) for the relief of Pietro DiGregorio Bruno.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Pietro DiGregorio Bruno, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Pietro Bruno, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WANDA FERRARA SPERA

The Clerk called the bill (H.R. 2116) for the relief of Wanda Ferrara Spera.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Wanda Ferrara Spera, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Luciano Spera, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HENRY WU CHUN AND ARLENE WU CHUN

The Clerk called the bill (H.R. 2141) for the relief of Henry Wu Chun and Arlene Wu Chun.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor children, Henry Wu Chun and Arlene Wu Chun, shall be held and considered to be the natural-born alien children of Mr. and Mrs. George Chun, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA CASCARINO

The Clerk called the bill (H.R. 2346) for the relief of Maria Cascarino.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Maria Cascarino shall be held and considered to be the natural-born alien child of Mr. and Mrs. Louis S. Vita, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendments:

On page 1, line 7, after the words "of the United States" strike out the colon and substitute a period and strike out the remainder of the bill.

On page 1, at the end of the bill, add two new sections to read as follows:

"SEC. 2. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Carmelo Giuseppe Ferraro shall be held and considered to be the natural-born alien child of Mr. and Mrs. Carmelo Leo, citizens of the United States.

"SEC. 3. The natural parents of the beneficiaries of this Act shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

The title was amended so as to read: "A bill for the relief of Maria Cascarino and Carmelo Giuseppe Ferraro."

A motion to reconsider was laid on the table.

WIESLAWA ALICE KLIMOWSKI

The Clerk called the bill (H.R. 2645) for the relief of Wieslawa Alice Klimowski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Wieslawa Alice Klimowski shall be held and considered to be the natural-born alien child of Mr. and Mrs. Anatol Klimowski, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GIOVANNA BONAVITA

The Clerk called the bill (H.R. 2671) for the relief of Giovanna Bonavita.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child Giovanna Bonavita, shall be held and considered to be the natural-born alien child of Giuseppe and Giovannina Bonavita, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EVA NOWIK

The Clerk called the bill (H.R. 2674) for the relief of Eva Nowik.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Eva Nowik, shall be held and considered to be the natural-born alien child of Frank and Regina Nowik, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOZEF GROMADA

The Clerk called the bill (H.R. 3146) for the relief of Jozef Gromada.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Jozef Gromada, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Thaddeus V. Gromada, citizens of the United States: *Provided,* That the natural parents of Joszef Gromada shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE SAUTER

The Clerk called the bill (H.R. 3371) for the relief of George Sauter (also known as Georgois Makkas).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, George Sauter (also known as Georgois Makkas) shall be held and considered to be the natural-born alien child of Louis A. and Addie G. Sauter, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA CZYZ KRUPA

The Clerk called the bill (H.R. 3722) for the relief of Maria Czyz Krupa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Maria Czyz Krupa, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Frank Krupa, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MIECZYSLAW BAJOR

The Clerk called the bill (H.R. 4023) for the relief of Mieczyslaw Bajor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Mieczyslaw Bajor, shall be held and considered to be the natural-born alien child of Edward and Irena Bajor, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EVANGELIA KURTALES

The Clerk called the bill (H.R. 4201) for the relief of Evangelia Kurtales.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Evangelia Kurtales, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Theodore Kurtales, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CASIMIR LAZARZ

The Clerk called the bill (H.R. 4282) for the relief of Casimir Lazarz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Casimir Lazarz, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Joseph Lazarz, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

URSZULA SIKORA, RADOSLAV VULIN, AND DESANKA VULIN

The Clerk called the bill (H.R. 4482) for the relief of Urszula Sikora.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Urszula Sikora, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Benno Coster, citizens of the United States.

With the following committee amendments:

On page 1, at the end of the bill, add two new sections to read as follows:

"SEC. 2. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor children, Radoslav Vulin and Desanka Vulin shall be held and considered to be the natural-born alien children of Mr. and Mrs. Dragutin Vulin, citizens of the United States.

"SEC. 3. The natural parents of the beneficiaries of this Act shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Urszula Sikora, Radoslav Vulin, and Desanka Vulin."

A motion to reconsider was laid on the table.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that further reading of the Private Calendar be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

COMMITTEE ON RULES

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight tonight to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

AEC AUTHORIZATION BILL, FISCAL YEAR 1962

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I am introducing today by request the proposed Atomic Energy Commission fiscal year 1962 authorization bill for capital facilities and the cooperative atomic power program which was submitted by the AEC yesterday, May 1, 1961.

Normally, at this point in the session, the Joint Committee would have already received and initiated hearings on the bill. Due to the problems incident to a change of administration and reexamination of programs, there was a delay in the submission by the Commission of the proposed bill. In order that there may be no further delay, the proposed bill—upon referral to the Joint Committee—will immediately be taken up by the Subcommittee on Legislation.

The subcommittee is prepared to begin hearings in open session this afternoon and to continue such hearings for as long as necessary on the following days in order to complete consideration of the bill as soon as possible. It would be the intention of the Joint Committee to review with AEC and other interested parties and agencies the subject matters involved in as thorough a manner as necessary and to report to the Congress the committee's recommendations as expeditiously as possible.

Since I only recently received the proposed bill, I have not had the opportunity to review it in detail. Before commenting upon the adequacy of the bill, I would of course wish to review it in detail and have the benefit of the testimony I expect to receive during the committee's hearings. I would like to say, however, that while I am pleased that a number of needed projects including project 62–a–6, electric energy generating facilities for the new production reactor, Hanford, Wash., and project 62–d–7, ultra-high-temperature reactor experiment

building at Los Alamos Scientific Laboratory, N. Mex., are contained in the proposed bill, I regret that some additional worthy projects apparently have not been included.

The proposed bill would authorize a total of $227,580,000 for the acquisition or construction of various new line item plant and facility projects under section 101. Added to this would be $7 million for the civilian power reactor demonstration program. In addition the proposed bill in section 107 would authorize an increase of $127 million in prior years' authorizations consisting of $111 million for the Stanford linear accelerator and $16 million for the advanced test reactor. A number of projects previously authorized would be rescinded including a $55 million ground test plant for the aircraft nuclear propulsion project.

As chairman of the Joint Committee on Atomic Energy, I intend to closely participate in the consideration of the bill by the Subcommittee on Legislation. As in the past, the Joint Committee—through its close review and continuous monitoring of AEC activities—reserves the right to recommend projects and levels of support which the committee believes necessary or important to national interests. As chairman of the Joint Committee, I wish to assure my colleagues that I will encourage the Joint Committee to continue to exercise its expert judgment which in the past has proven on so many occasions to have been correct.

PETITION FROM CITIZENS OF BURNET COUNTY, TEX.

Mr. THORNBERRY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include a petition.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THORNBERRY. Mr. Speaker, I have received a letter and petition signed by a large number of responsible citizens of Burnet County, Tex., giving me the benefit of their views on four proposals. As will be seen from a reading of the petition, the signers of the petition have expressed the desire that the petition be read and be made a part of the CONGRESSIONAL RECORD. The letter and petition is as follows:

WHITE'S STORE,
Burnet, Tex., April 24, 1961.

Hon. HOMER THORNBERRY,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: I am enclosing a petition which is self-explanatory.

As you can see, it has been signed by a large number of responsible Burnet County citizens. Of all the persons that read this petition only two refused to sign it and they did not disagree with it, but for reasons of their own did not want to sign.

Over the years you have asked us as citizens to let you know our opinion. This is our way of stating to you the ideas we have on these particular subjects.

We send you this document because you are our elected Representative and we hope that it will enlighten you as to what these people really think and that you may act accordingly.

Sincerely,

JEROME K. FELPS.

To All Texas Representatives and Senators in the U.S. Congress:

The following U.S. citizens endorse the proposals listed below and submit them for action by the 87th Congress of the United States now in session. It is our desire that this petition be read before both Houses of the Congress and be made a part of the CONGRESSIONAL RECORD.

1. That all subsidy payments by the Federal Government be abolished immediately, including those to agriculture, airlines, shipping, and any other form of business.

2. That the individual exemptions on the Federal income tax be raised from $600 for each exemption to $1,000 for each exemption. Further, that the maximum percentage rate on income tax be lowered to 50 percent, and that all money gained from the abolition of Federal subsidies be passed on as a reduction in individual income taxes.

3. That all foreign aid, with the exception of military assistance in the case of actual combat, be put on a strict loan basis and the recipients of these loans understand that the United States expects them to be repaid in equal value if not in dollars. Further, that the United States should politely, but firmly, ask all foreign nations to begin repaying the loans that they have received from us in the past.

4. That the Armed Forces of the United States be unified in fact, thereby eliminating the duplication now in existence. Proposals by the Hoover Commission and Senator SYMINGTON's committee should be used.

(Signatures omitted.)

DEMAGOGUERY

The SPEAKER. Under previous order of the House, the gentleman from Missouri [Mr. CURTIS] is recognized for 30 minutes.

Mr. CURTIS of Missouri. Mr. Speaker, demagoguery or demagogism as defined by Webster's International Dictionary is as follows:

The principles or practices of demagogs.

Demagog is defined as follows:

One skilled in arousing the prejudices and passions of the populace by rhetoric, sensational charges, specious arguments, catchwords, cajolery, etc., esp., a political speaker or leader who seeks thus to make capital of social discontent and incite the populace, usually in the name of some popular cause in order to gain political influence or office.

The Kennedy administration's proposal to repeal the dividend credit and dividend exemption now allowed in figuring an individual's Federal income tax is demagoguery. The leaders of the Democratic Party who have been pressing this repeal for years have been using demagoguery.

That is not to say that there can be no honest difference of opinion about the economic theories behind the dividend credit and dividend exemption reform placed in the Federal Tax Code in 1954.

However, it is to say that there has been no honest attack on this reform. There has only been a demagogic attack. The attack is based upon the false statement that this reform was placed in the law to benefit the investing public.

This false statement is lent credence because the reform relates to a feature in our tax laws which results in dividends being taxed twice.

On May 1, 1961, U.S. News & World Report, page 50, repeats the demagoguery:

The outlook for changes in tax treatment of dividends is uncertain. In the past, Congress has been inclined to ease the tax on dividend income. The argument is that dividends are taxed twice—once when reported as earnings by the corporation and again when they are reported as income by individuals. Mr. Kennedy argues that "whatever may be the merits of the arguments respecting the existence of double taxation, the provisions of the 1954 act clearly do not offer an appropriate remedy."

Now the fact that dividend income is taxed twice is only a factor in the economic problem that confronted the Ways and Means Committee in 1954 when it put the reform in the tax laws. It is not the problem itself and it has never been set forth as the problem, by those who proposed the reform, even though there is some appeal to equity in it by itself.

The problem is this, as the Ways and Means Committee has officially stated and I have so often repeated in speeches on the floor of the House. Corporations have three ways of financing their growth: First, debt financing, that is borrowing from the banks or issuing bonds; second, retained earnings—by not paying all the corporate earnings to the stockholders in dividends; third, selling new stock to the public.

The first two ways of corporate financing receive considerable tax advantage over the third way of financing. The result has been twofold: First, corporations have resorted to debt financing and retained earnings financing to a degree that is fiscally unsound; second, the Federal Government is losing taxes from the investing public in the aggregate by the avoidance by corporations of financing through floating new stock issues.

Furthermore, ironically, the richer stockholders derive a special advantage over the less rich stockholders when a corporation in which they have holdings finances through debt or retained earnings instead of floating new issues of stock.

The tax reform of 1954 was to minimize the special tax treatment that the richer stockholder was getting through corporations financing their growth through increased debt or retained earnings. If a new stock issue as opposed to a new bond issue is used to meet the corporation's need for growth capital several things happen: First, the Federal Government gets more taxes from the investing public; second, the corporation is placed on a sounder fiscal base; third, the richer stockholder loses some of the advantage he has over the smaller stockholder; fourth, there is an encouragement for more people to be stockholders—because there s miore stock available in the market to buy; fifth, the price of common stocks is brought down to a more realistic level of their value because there would be more stock available for

those who wished to buy; sixth, the smaller stockholder has a better chance of getting stock in competition with the rich investor.

On page 79 of the same issue of the U.S. News & World Report is an advertisement for an offering of $300 million United States Steel Corp. 4½-percent sinking fund debentures dated April 15, 1961, due April 15, 1986.

I am placing this in the RECORD at this point:

(This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these debentures. The offer is made only by the prospectus.)

Three hundred million dollars—United States Steel Corp.—4½-percent sinking fund debentures due 1986. Dated April 15, 1961, due April 15, 1986.

Interest payable April 15 and October 15 in New York City.

Price 99¼ percent and accrued interest.

Copies of the prospectus may be obtained in any State from only such of the undersigned as may legally offer these debentures in compliance with the securities laws of such State:

Morgan Stanley & Co.; Dillon, Read & Co., Inc.; the First Boston Corp.; Kuhn, Loeb & Co., Inc.; Blyth & Co., Inc.; Drexel & Co.; Eastman Dillon; Union Securities & Co.; Glore, Forgan & Co.; Goldman, Sachs & Co.; Harriman Ripley & Co., Inc.; Kidder, Peabody & Co.; Lazard Freres & Co.; Lehman Bros.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Salomon Bros. & Hutzler; Smith, Barney & Co., Inc.; Stone & Webster Securities Corp.; White, Weld & Co.; Dean Witter & Co.

April 19, 1961.

Now let us consider what would happen if the United States Steel Corp. was to offer $300 million of additional common stock to finance its growth instead of bonds. Let us see the tax effect on the U.S. Treasury, the tax effect on the higher income bracket stockholder and a few of the economic effects.

United States Steel will pay $13,500,000 a year in interest to these new bondholders. Let us assume that United States Steel makes 10 percent earnings before taxes on the new investment of $300 million, this would be $30 million a year.

United States Steel will pay 52 percent corporate tax on this $30 million but after the $13,500,000 in interest paid to the bondholders has been deducted as an allowable expense. In other words, United States Steel would pay 52-percent corporate tax on only $16,500,000 or $8,580,000 and not on $30 million or $15,600,000 in taxes.

Let us assume the investing public buying the bonds are in the 50-percent personal income tax bracket, as an average. It makes no difference to illustrate the point which bracket you select. The Federal Government will realize $6,750,000 in taxes from the bondholders in personal income taxes.

The total tax take of the Federal Government from United States Steel financing its new growth by a bond issue then amounts to $15,330,000—$8,580,000 in corporate taxes plus $6,750,000 in personal income taxes.

Now let us assume United States Steel financed this growth through a new issue of common stock. United States Steel would pay 52-percent tax on the full $30 million of earnings from the $300 million of new capital, or $15,600,000.

Assuming the investing public who bought the new common stock are still this "rich" group who average in the 50-percent personal income tax bracket and assuming United States Steel paid out all of its earnings after taxes—$30 million minus $15,600,000—$14,400,000 to these new stockholders. The Federal Government would collect in personal income taxes $7,200,000 minus $750,000 from the $50-per-person dividend exemption—assuming 300,000 separate investors buy the new stock at $1,000 per person, then $1,500,000 dividend income is exempt from the 50-percent personal income tax of the average stockholder minus $516,000 from the 4-percent dividend tax credit—$14,400,000 paid in dividends minus $1,500,000 exemption equals $12,900,000—4 percent of $12,900,000 equals $516,000—$7,200,000 minus $750,000 minus $516,000 equals $5,934,000 or the amount the Federal Government would receive in taxes from the personal income tax on the dividends declared to the stockholders.

The total tax take of the Federal Government from United States Steel financing its new growth by a stock issue amounts to $21,534,000. In other words, $6,204,000 or 40 percent more in taxes than from the bond or debt financing process.

Now, let us assume United States Steel instead of declaring dividends to its stockholders had retained $300 million of earnings to finance its growth. The Federal Government would have received $15,600,000 from the taxes on 52 percent of these earnings, but it would have received no income from personal income tax its stockholders would have been paying on the earnings if they had received them in dividends.

To contrast the tax effect on the three forms of financing capital growth, however, let us look at the picture on the basis of the tax effect if United States Steel decided not to pay the $14,400,000 earnings after taxes to its stockholders, but retains it for future financing. The Federal Government loses $5,934,000 in taxes. If it recoups anything on this loss, by a stockholder selling his shares for the capital gain resulting from the process of plowing back earnings into the corporation, it is limited to the 25-percent ceiling imposed upon the rate at which capital gains are taxed.

We were taking the stockholders as a group averaging in the income tax bracket of 50 percent. However, the higher the income tax bracket the stockholder is in, the more he stands to gain from the corporation plowing back earnings instead of declaring dividends. If he is in the 91-percent income tax bracket he saves 91 percent on his share of the $30 million annual corporate earnings before corporate taxes, at the most, and at the least the difference between 91 and 25 percent or 66 percent.

It is for this reason that the wealthier a stockholder is the more he prefers to have the corporation finance its growth either through bonds and borrowing or through retained earnings. Furthermore, the wealthier a stockholder is the less likelihood there is that he needs dividends on his stock to take care of his living cost budget. The less wealthy a stockholder is, the more that stockholder needs the earnings from his share in the company for his living costs. He cannot afford to let his money go back into reinvestment.

The pressure on corporate management by the wealthy stockholders to retain the earnings so they can get their shares of the profits with no tax or at most at 25-percent capital gain treatment as against the desire of the little stockholder to have the money declared in dividends is not academic. Our tax laws aid and abet the wealthy stockholder in his desire to have future financing done, if not through retained earnings through debt financing, because he can demonstrate that the corporation saves money through paying less taxes. These corporate tax savings amounting to $7,020,000 a year in the United States Steel example I have used provide a nice sum with which to pay the interest to the bondholders as well as to pay off the bonded indebtedness, leaving the equity interest of the stockholders increased in the process. This increase in value of the common stock of United States Steel again is taxed, at the least, nothing, and at the most at 25-percent capital gain.

It is no wonder that many shares of stock on the market are referred to as "growth" shares. Shares that the investor buys, not for the income received in dividends, but for the increase in value of the share itself resulting from growth derived from the specially tax-treated forms of financing growth, debt financing, or retained earnings financing.

Who can afford to buy and pay the most for growth shares of stock? The rich investor under our Federal tax laws. The higher the income tax bracket in which his wealth places him, the more it is worth to him in tax savings to have growth shares. He can outbid with tax-saved dollars the smaller investor every time.

Furthermore, common stock is one of the best hedges the public has against inflation. Common stock goes up in value as the dollar loses its purchasing power as the result of inflation. Growth stock is the best hedge of all against inflation. And growth stock comes from companies that finance their growth from retained earnings or debt financing.

I have suggested that one reason for the phenomena of the past decades of the high price of common stocks on the stock market is the result of the traditional economic law of inflation—too many dollars chasing too few goods. There is a greater demand for common stocks as a hedge against inflation and as a tax-saving device, than there is a supply. The reason is that the wealthier stockholders and the shortsighted company managers yielding to their pressure and the immediate dollar profit resulting from the tax laws which have been written to favor this kind of financing do not finance their growth by offering more stock to the public, by permitting more

people to become stockholders, by having more shares available. They discourage the small investor by emphasizing growth instead of regular dividends which the small investor needs to meet his daily bills.

United States Steel is a prime example of a corporation which has financed its great growth in the past few decades under these favorable Federal tax laws by not issuing new equity stock. American Telephone & Telegraph, on the other hand, is a fine example of a corporation which has encouraged the little investor to become a stockholder, by financing most of its growth through new stock issued. It is a healthier corporation than United States Steel fiscally because of it. Yet remove the tax reform in treating new equity financing and American Telephone & Telegraph will probably have to go along with United States Steel. From a corporate financing standpoint equity investment should be the base, not debts to banks or bondholders which have first call on the corporate assets and indeed have an inexorable call even if the corporation is in fiscal difficulties.

How can this be explained to the public over the shrill and loud voice of the demagogs? Who is promoting this demagoguery? The leader of it is now President Kennedy, the scion of a wealthy family which stands to continue to gain as this family has gained by giving the wealthier class a special tax treatment which works against the interests of the smaller investor, the retired people, if you please, the worker in the factory, or in the office who in America today can become a stockholder. If we give new stock issue financing a more even break than it now gets, instead of taking away the small reform that was made in 1954, even more Americans can become modest stockholders. This would mean a healthier America, a more dynamic economy, a more flexible economy, and an economy which spreads its blessings to more of our people. Will the newspaper, radio, television, and magazine writers, who by and large are little men, not people of inherited wealth, as I am, contemplate this message and if upon examination they find it is true, start giving the facts to the people?

INTRODUCTION TO THE "FIRST 100 DAYS" SERIES

The SPEAKER. Under previous order of the House, the gentleman from Arizona [Mr. RHODES], is recognized for 60 minutes.

Mr. RHODES of Arizona. Mr. Speaker, it is inevitable that the communication media should take an analytical look at the first 100 days of the present administration and make comparisons with a similar period in the Roosevelt and Eisenhower years. While several television programs and national magazine articles have thus examined the period of time since January 20, 1961, we feel that our attention should be focused on the exact and precise accomplishments of the Kennedy administration as opposed to their campaign promises and the needs of 20th-century America rather than in comparison with administrations facing different problems in other periods of history.

We feel that greater service would be performed to the American citizens by a topical discussion of these 100 days than to yield to the temptation to take the easy way out; namely, comparing numbers of messages, bills passed, problems remaining, and children and pets in the White House to those of other eras. Along with several of my colleagues, I would today refer to positive, concrete action or lack of action by the current administration in several fields, along with constructive reaction from the Republican side of the aisle in this regard.

We hope to do this as dispassionately and objectively as possible. The American people elected President Kennedy by the narrowest of margins. They returned a wide majority in both Houses for the Democratic Party, despite Republican gains. Ever since that time, a rash of publicity for the New Frontier has assisted in a record wave of personal popularity for President Kennedy and his family. On the other hand, on specific issues public opinion and overall congressional sentiment has given rise to much more controversy. It is in an attempt to analyze these issues and convey Republican reaction to the first 100 days of the New Frontier that this speech series has been planned.

Several facts are clear. President Kennedy is the President of all the American people, and deserves the support of every American as the leader of our Nation. The Republican Members of Congress, by their support of such constructive proposals as the temporary program of unemployment benefits, aid to dependent children and revision of social security benefits, have demonstrated their determination to put the welfare of the Nation above petty political profit. They have particularly emphasized this in fields representing the current crises in Laos and Cuba. On the other hand, by opposing unsound provisions of the President's feed grain proposals, the minimum wage amendments, and the so-called depressed-areas bill, we have demonstrated actions of responsible opposition.

It is the function of the opposition party to scrutinize administration proposals, and to responsibly criticize and oppose those harmful to the national interest. Otherwise, no democracy could function, and we would be doing a grave injustice to the American people and to ourselves if we were to offer nothing but passive consent in all that the new administration proposes. Thus we must scrutinize all that the majority proposes and resist unwise or ill-conceived measures. On the other hand, we must be responsible and constructive in our opposition, supporting the administration when they are right, and when the national interest is at stake. In this event, both Republicans and Democrats must set aside partisan interests and work for the good of the Nation.

Since public discussion and analysis of vital issues of our times is the function of a free society, our congressional team would today put forth our views on the first 100 days of the Kennedy administration. For, Mr. Speaker, it has been truly said that "knowledge may give weight, but accomplishments give lustre, and many more people see than weigh."

Mr. Speaker, I now yield to the gentleman from New Jersey [Mr. FRELINGHUYSEN].

Mr. FRELINGHUYSEN. Mr. Speaker, in the field of education, President Kennedy has made several major proposals for legislative action. At the elementary and secondary level, he advocates spending $2.3 billion over the next 3 years to construct classrooms and to boost teachers' salaries. He describes this as "a limited beginning" and "a modest program with ambitious goals."

At the college level, Mr. Kennedy suggests spending $2.8 billion over a 5-year period to help build dormitories, classrooms, laboratories, libraries, and other academic facilities. He advocates also the establishment of 4-year Federal scholarships, averaging $2,800 each, for over 200,000 prospective college students, with additional grants of $350 annually to the institutions they attend. Only just made public are his recommendations for the expansion of the National Defense Education Act, including the present student loan program.

As might be expected, Mr. Speaker, these recommendations have resulted in considerable activity in the House Education and Labor Committee. Some bills will probably receive approval by that committee in the near future. Pending such action, perhaps it would not be amiss to comment on the situation generally as it seems to be shaping up.

The general Subcommittee on Education, of which I am a member, began hearings in mid-March on H.R. 4970, incorporating the administration's proposals for aiding elementary and secondary schools, as well as the teachers of the Nation. It would authorize expenditure of $666 million the first year, $766 million the second, and $866 million the third; 10 percent of these funds would be allocated for areas of special educational need—slums, depressed areas and the like.

However, perhaps we should look first at the bill's declaration of purpose. The Federal grants are intended to assist local educational agencies to construct urgently needed school facilities, and to employ needed additional public school teachers and pay them adequate salaries. It is the intent of Congress that with this assistance the quality of public elementary and secondary education will be substantially improved in all States, and inequalities of educational opportunities substantially reduced.

These are indeed ambitious goals. The question which needs to be answered is whether the proposed program reasonably could achieve such objectives. To aid us in our inquiry, a brief analysis of the problems might be helpful.

First of all, how urgent is the need for facilities? How many classrooms are needed, and how soon? The Secretary of Health, Education, and Welfare himself gave the committee some enlightenment

on this point. Mr. Ribicoff stated that there is now a shortage of about 140,000 classrooms.

He pointed out that during the past decade annual expenditures on education had increased from $6.5 billion to $16.5 billion. This represents an increase of 154 percent. Expenditures for construction had also increased substantially each year, he admitted. If this rate could be maintained over the next 5 years, he continued, there would be at the end of that period a shortage of some 60,000 classrooms. This prospective deficit of classrooms, in his opinion, justifies Federal intervention.

There are those, Mr. Speaker, who will almost surely argue that Mr. Ribicoff's estimates of future need illustrate that there is in fact no national problem requiring aid, at least of the kind proposed. The need in the years ahead is based in part on increasing enrollments and in part on replacing obsolescent facilities. These problems were faced also in the 1950's, some will point out, and led to an unprecedented expansion of school facilities, virtually all without Federal aid. The crisis is now about over, they might add, and there is no need for the Federal Government to initiate a general program at all.

Such critics of the President's program might also point out that the Office of Education figures, on which Secretary Ribicoff relies, indicate a sharp drop in school enrollment for 1966 and the following years. They might challenge the accuracy of the President's assertion, in his message to Congress, that during the next decade there will be an average net gain of nearly 1 million pupils a year. The figures estimate that there will be increased enrollments of just over a million for each of the next 5 years, with a sharp drop thereafter, resulting in a 10-year average annual increase of somewhat over 800,000.

A more careful definition of the need for school facilities, it might be argued, might, or might not, justify a Federal aid program, but if aid is to be given, it should be provided only for the years immediately ahead. Even for this period a continuation of the current rate of construction would indicate that this problem would be manageable without Federal aid.

As for myself, I have long favored a Federal program which would help accelerate, and facilitate, the construction of needed classroom facilities. We should limit, I feel, the length of such a program, and we should insure that the Federal responsibility is sharply defined. Over a period of years, though not as yet this year, I have introduced a number of bills along these lines. I have worked with others, on both sides of the aisle, to secure enactment of moderate and effective legislation.

It is for that reason, and because no one can ignore the storm signals now flying, that I have been disappointed at the character of the administration's recommendations. Much as I should like to strengthen this country's educational system by a judicious Federal program, I cannot persuade myself that President Kennedy's recommendations are particularly appropriate, or that they would be effective.

An effective Federal aid program, in my opinion, should concentrate on school construction. It should provide such assistance in areas having the greatest need, and where maximum effort has been made, yet where the need has not yet been met.

The administration's bill pays scant heed to these guidelines. It simply expresses the hope, in effect, that Federal aid will go where most needed. Admittedly it recognizes that some penalty should result if a State does not maintain a certain effort. But as I read the bill, a particular State need only match what it has been doing in previous years. In future years a State need only maintain this level of expenditures, with the Federal windfall alone providing the additional funds needed thereafter. Thus the Federal Government would bear the burden of raising educational standards in the future. And if a State should reduce its expenditures, or terminate them entirely, it would be penalized only by a reduction of one-third of the proposed Federal allotment.

In previous years, as we in Congress have considered school construction legislation, real efforts have been made to develop a formula whereby areas of genuine need, and these alone would receive Federal aid. The New Frontier concept of education, on the other hand, implies a general obligation on the part of the Federal Government to aid education, apart from any specific needs, and with little or no interest in strengthening local and State responsibilities. Apparently the Federal Government itself must assume responsibility, in President Kennedy's own words, for—

> A new standard of excellence in education—and the availability of such excellence to all who are willing and able to pursue it.

Secretary Ribicoff puts the problem in a different way. Testifying before our committee, he asserted that the Federal Government has a special concern for programs which are in the national interest. At a later point he stated that we cannot afford to permit any of our childen to go even 1 year longer than necessary without adequate instructional staff and classroom facilities.

These are sweeping statements. The Government might open the door to an indefinite expansion of Federal responsibility, but is such a course wise?

I for one think the Federal role should be more narrowly construed. It is for this reason particularly that I view with genuine apprehension the prospect of a broad Federal subsidy program for the Nation's teachers.

Naturally we all want to see our teachers paid more, and the importance of their efforts more widely recognized. We can all rejoice that in the past 8 years alone the average teacher's salary has increased by 52 percent. This compares to a 30-percent increase in per capita personal income, and a 34-percent improvement in industrial wages. The quality of instruction, furthermore, has almost surely improved as a result of the decline in the number of children per teacher from 26.2 to 24.4 over the 8-year period.

The administration assumes that because we need still more teachers, who should receive still better pay than they do today, that there is no alternative to Federal intervention. This could prove to be a dangerous, as well as an unjustifiable, assumption.

In justifying his program President Kennedy has declared:

> We cannot obtain more and better teachers—and our children deserve the best—unless steps are taken to increase teachers' salaries. At present salary levels, the classroom cannot compete in financial rewards with other professional work that requires similar academic background.

Let us examine these statements. Does Mr. Kennedy mean simply that the Nation should continue present efforts to raise teachers salaries? Surely he cannot be saying that substantial steps have not already been taken? Or does he mean that these efforts are not enough? Does he feel, because present efforts are not enough, or future efforts may not be enough, that the Federal Government must help out? And if Federal help is forthcoming, is the President concerned about maintaining local and State efforts? Or is he suggesting that the Federal Government simply step in and pay whatever the balance of future bills may be? Does he feel the Federal Government must be responsible for making teachers salaries competitive with other professions?

And if our children deserve the best, what does this mean so far as the Federal responsibility is concerned? Is the best obtainable simply by the expenditure of more money? May this not necessitate better teachers? And perhaps different curriculums? And to what extent are these problems within the purview of the Federal Government?

Furthermore, if the Federal Government makes money available to help pay teachers, may it not be that Congress will actually be moving away from the goal of correcting inequalities of pay? A State which has no construction needs could provide more help for its teachers than a State with a serious need for classrooms, though the latter State might have an equal need to pay its teachers more. The Federal program, in other words, may increase rather than diminish existing discrepancies in salaries.

So, too, the Kennedy proposals to assist in the construction of classrooms may well not be effective. Here we do not find Federal aid dependent on genuine need despite local effort. The administration bill, it is true, would allocate somewhat more money to States with low per capita income, but there would be no attempt to pinpoint areas of need.

Equally important, there would be no requirement for matching of Federal funds in order to receive aid. This is a generally accepted method by which to insure State participation. Without such a requirement, the mild penalties provided for lack of effort could hardly be sufficient to insure continuing, or increased, effort by local and State governments. Since matching would be useful also in increasing the total funds to

be made available for school construction, it should not be ignored in a program of this kind.

Mr. Speaker, in conclusion let me say this: The Kennedy program, in my opinion, is overly ambitious in its goals. There has been too little consideration given to insuring that the States and localities continue to assume primary responsibility in the field of education, including the thorny, but central, question of raising the needed funds. There has been too little thought given to the consequences of broad and continuing programs, set up in such a way as virtually to insure demands for vastly greater Federal expenditures. Even more troublesome, the proposed Federal program will almost surely stifle, and not stimulate, what can be done by other levels of government.

I have not touched on other matters of concern, such as the possibility of increased Federal control over education as a consequence of the increased Federal financing of the kind proposed. I have not discussed the controversial situation of private schools and their place in this issue. Nor have I commented on the recent decision of the Civil Rights Commission that present practices of the Federal Government in supplying Federal aid to education to areas maintaining racially segregated schools put the Government in the position of supporting segregation. They felt that this in effect constituted underwriting the denial of equal protection of the laws guaranteed by the 14th amendment. These are just added complications which have in a sense clouded fundamental issues of the need and means to support education today.

Basically, during these first 100 days the questions of education in America have not been solved nor did anyone expect that they would. However, the program submitted to Congress by the President, while it contains some worthy ideas and goals, is based on fallacious reasoning. It would create more problems than it would solve. It would establish an enormous Federal responsibility for education without solving local needs which exist today. Educating America's youth, I would submit, is a goal of the highest priority. Nonetheless, debate over which course we should follow must continue long after the first 100 days. We must seek constructive proposals more compatible with the actual situation than those which have been advanced by President Kennedy.

LEGISLATIVE PROGRAM FOR TOMORROW

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RHODES of Arizona. Mr. Speaker, I take this time to ask the distinguished majority leader if he is in a position to make an announcement concerning the legislative program.

Mr. McCORMACK. I am very glad my friend asked me. I like to keep the House advised as far ahead as possible as to the program for the following day. The water pollution bill will be brought up tomorrow, a rule having been reported out today. Also, if the Senate accepts the conference report on the minimum wage bill, it is expected that that will also be brought up. In what order, I am unable to state. If the Senate takes until sometime in the late afternoon, why, then, the water pollution bill will be brought up first. That will be brought up, anyway, and the probabilities are that the conference report will also be brought up, so that I am alerting the Members in this regard.

Mr. RHODES of Arizona. I thank the gentleman.

SCHOLARSHIPS FOR STUDENTS OF AFRICA, ASIA, AND LATIN AMERICA

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. POWELL], is recognized for 30 minutes.

Mr. POWELL. Mr. Speaker, with the conviction that the educational resources of the United States can make a unique and timely contribution to the immense educational needs of the less developed and newly emerging nations, I am introducing a bill to provide a total of 12,000 undergraduate scholarships, of 4 years each, to be awarded to young men and women of Africa, Asia, and Latin America who will study in American colleges and universities. This bill amends the National Defense Education Act of 1958 to authorize the Commissioner of Education to award undergraduate scholarships in American institutions of higher education to certain students from Africa, Asia, and Latin America in order to help prepare those students to become national leaders in their home countries.

This simple and direct legislative proposal can do much to meet some of the greatest challenges and opportunities for American educational leadership that we have yet faced in our time. This scholarship program for African, Asian, and Latin American students can provide a new beginning—and its effect can become truly massive—in the development of wise leaders and educated citizens among all peoples.

I am mindful of our recent observance of African Freedom Day and of Pan American Day, both celebrations emphasizing again the common respect and common helpfulness that must be sought and the significant and tangible contribution that American education should be making.

And we have been painfully reminded by the recent dramatic successes of Soviet education and science that we have yet to turn the tide in the battle for men's minds, and that only an educated leader and citizen in Africa or in Asia or in Latin America will be equipped to make a wise choice or even to recognize the foundations of freedom, with responsibility, on which just and democratic governments must be built.

We have repeatedly demonstrated our willingness to provide modern weapons and other material resources to counter the ever-present threats to world peace—the smoldering areas of discord in which armed conflict on a large scale may break out at any moment—but, at the same time, most of us realize that we really have entered an era in which war is necessarily and categorically becoming obsolete—that we no longer can afford the luxury of a worldwide conflagration.

Recognizing that this is so, we seek the constructive alternatives; we look for the essential ingredient for social and economic growth, with freedom, among all peoples. And we see clearly that we must achieve a substantial and meaningful marshaling of the intellectual and educational resources of the United States to provide the instruction and training for the peoples of the emerging and newly independent nations to enable them to help themselves—and time is all too short.

We must provide now the educational sustenance that is demanded in the name of humanity and of our common cause. The "revolution of rising expectations" is going on all around us, and we can help make it a constructive transformation for good or we can ignore it—and someone else will help in their own way and for their own ends. What is needed now is education—that "critical mass" of education that will permit the peoples of the less-developed areas of Africa, Asia, and Latin America to provide their own self-renewing leadership and education for the future.

As George Kimble argued so well in the New York Times recently:

> Without a corps of trained professionals no country can bridge the gulf between disease and health, poverty and prosperity, or between the world of superstition and the world of reason. * * * Without an enlightened citizenry there is no guarantee that any country can resist the seduction of materialism, communism, or any of the other sirens of our time—or even the blandishments of the first spellbinder to gain control of the radio and press.

The force of these conclusions has been abundantly demonstrated by the recent disastrous events in the Congo. There, in the wake of Belgian colonialism, is a vast country of 14 million people—but with only a few dozen university graduates native to that land. Only here and there, against an overwhelming need, does an occasional native physician or engineer work among a people craving both freedom and bread. The Congolese political leaders themselves are therefore ill equipped by education and training for the burdens of government leadership.

Yet, only a few hundred miles away, independence came also last year to Nigeria. And when self-government came to that country, there were already 16,000 Nigerian students and graduates of universities to provide a base for political and economic stability. The British and Nigerian educators have made the best of their resources in planning and building for the schools and colleges of today and tomorrow in Nigeria.

Mr. Speaker, for the 36 nations which have achieved their independence since World War II; for the 7 or more

which will enter the community of free nations this year or next; for dozens of older, underdeveloped nations in Africa, Asia and Latin America, the need for university-trained leadership is nothing short of an absolute need to prevent chaos.

Six years ago this month I reported to the Congress upon my return from the Bandung Conference. Then, as again today, I urged a scholarship program for students from the newer nations, but I received no support. The result of our delay in the face of this urgent need is plain for all to see—we have again allowed the Soviets to move ahead.

Last year the Soviet Union opened the doors of its new Friendship of Nations University in Moscow with several hundred students from Asia, Africa, and Latin America in attendance—and there will soon be 5,000 of these students enrolled in courses of study lasting from 4 to 6 years. Meanwhile, the United States drifts along, hoping that private donors and foundations will fill the void. Much credit should go to pioneering efforts like the Ford Foundation development program in Africa and the Kennedy Family Foundation's airlift of 300 students from Kenya, Tanganyika, and Uganda to the United States—but these only point the way—they don't begin to do the whole job. Instead of being 5 years ahead of the Soviet Union—as we could have been if we had shown sufficient foresight together in 1955—we are trailing 2 or more years behind them in meeting our educational responsibilities to the peoples of Africa, Asia, and Latin America, which are at least equally as important as the scientific challenges of outer space.

Nonetheless, this program is not offered in any spirit of simply keeping up with the pace and example of Soviet education. Friendship University, with its package plan of Soviet-style training, in a kind of Moscow ghetto for handpicked students from Asia, Africa, and Latin America, is not our model. We should, rather, learn from the Soviet mistakes in this field and, by all means, avoid engaging in a meaningless game of educational move and countermove.

The problem for us is, simply, how can this Nation help the new and less-developed nations, with both academic education and vocational training, so that they will achieve that critically important threshold of knowledge and competence on the part of their future leaders—which is the key to the full utilization of natural resources and the broad application of the fruits of science and technology for their citizens.

In meeting the challenge of education for the young people and adults of Asia, Africa, and Latin America, I am convinced that very helpful insights are to be had from the experiences of our own areas of Hawaii and the Commonwealth of Puerto Rico, as well as from the evolving West Indies Federation. These can enhance our scholarship program for the less-developed and newly emerging nations, on the one hand, as living demonstrations of bootstrap economic development and, on the other, of intercultural communication and understanding and of the development of responsible governmental leadership.

These simple appraisals have been confirmed on many occasions in personal and direct discussions with leaders in our own insular areas and in Africa, Asia, and Latin America. Here, for example, are some very brief excerpts from among the many statements sent to me by foreign leaders in support of this proposed scholarship program. Mark you, many of those who want us to train their leaders will not cooperate with military pacts.

From the Prime Minister of the Republic of Togo:

> We cannot but be grateful for your generous initiative directed toward instituting a program of technical assistance in teaching and education.

From the Ministry of Programs of the Republic of Guinea:

> We are indeed happy to hear of this plan, which ties in perfectly with the aid which the highly developed countries are giving to the recently liberated young countries.

From the Emperor of Ethiopia:

> The Ethiopian Government and people are deeply appreciative of the educational and cultural ties which have been established with the United States of America, and assure you that the inauguration of the program of scholarship aid would indeed be greatly welcomed in this country.

From the Secretary of Public Instruction of Liberia:

> A scholarship aid program to Liberia will highly be appreciated as the need for more qualified educators is imperative. * * * We look forward in anticipation for the results of this program.

From the Minister of Education of Pakistan:

> We have already benefited considerably from the program of scholarships and fellowships of various agencies in the United States of America and we are grateful to you for initiating a program for further expansion. * * * We would welcome a program of massive aid, scholarships and fellowships for Pakistani scholars, as such a program would help us to develop much needed personnel.

From the Director General of the Colombian Institute for Advanced Training Abroad, formerly Minister of Education of Colombia:

> My congratulations for the important work you are doing to help the underdeveloped countries.

Finally, Mr. Speaker, I would close with the observation that this Nation which values its freedom so highly that it can give away well over $23 billion in foreign military aid grants in the last decade alone, can surely find it possible to support this modest educational program that, at a cost of about $100 million, may do even more for freedom and progress everywhere. And let us all remember that independence is not an end in itself, but only a beginning. The revolution of freedom is always unfinished business.

RADIO'S MANY VOICES

Mr. ADDABBO. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, May has been proclaimed National Radio Month in recognition of the importance of radio to all of us. It has been less than 70 years since Marconi's successful transmission of radio signals, yet it is difficult to imagine life without the radio. Its advance during the succeeding years has been remarkable. By now there are more than 3,500 AM and 700 FM radio stations throughout this Nation.

Indeed, the sound of radio surrounds us wherever we go. It is present in 97 percent of our homes, broadcasting the morning and evening news, educating and entertaining our children, and bringing the world series and Rose Bowl to all of us. It accompanies us as we drive to work or motor across the country. We carry the new light portables with us to the beach and other vacation spots.

How many roles the radio has come to play in this country. To thousands of ham operators it is a fascinating hobby. To the airline pilot it is the signal that guides him to his destination. It is a sentinel in our defense system and through Conelrad warns us of impending enemy attack. It spans the distance between farm family and urban center, between the United Nations and our living rooms, between a space vehicle and our world. By mere change of channels it transforms a home into a theater, a symphony hall, or a lecture room. It is used by the policeman for rapid communication, by the mariner to call for help, and by the astronomer to explore the stars.

Whether the voice of radio is informative, entertaining, or urgent, it is participating in a vital way in the life of each of us. It is, therefore, fitting that we take time to honor this versatile medium. My congratulations to all who help make radio one of the strongest assets of this free society.

FEDERAL HIGHWAY ACT

Mr. ADDABBO. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. JOHNSON] may extend his remarks at this point in the RECORD and include extraneous matter and tables.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JOHNSON of California. Mr. Speaker, I introduce today for reference to the Committee on Public Works a bill to amend chapter 2 of the Federal Highway Act and to provide increased authorizations.

This bill is a combination but not inclusive of three Senate bills, S. 501 by MORSE and others, on forest development roads and trails; S. 1159 by CHAVEZ to amend chapter 2 of the Highway Act, road authorizations, including a new authorization for forest

recreation roads; S. 1151 by ELLENDER, a bill which is in part common with S. 501. The bill also contains sections which are not found in the three bills listed above. These deal with increased authorizations for forest highways, park roads, and parkways. The bill also creates a new class of road, "public land development road and trail." The bill provides for an executive coordinating commission for natural resource roads. Sections 1 and 2 are somewhat consistent with the Chavez bill, S. 1159, but provides for increased authorizations for all parts of chapter 2 of the Highway Act. A provision for forest recreation roads as a separate category has not been included since it should be possible to provide for these roads by administrative action. Roads serve many purposes and the need is to provide adequate funds in the class of road in question—forest development roads and trails.

A new category, public land development roads and trails, has been suggested for creation to enable adequate resource development roads on the 477,000,500 acres of land administered by the Bureau of Land Management. The bill proposes amending all authorizations for 1963 and providing the authorizations for fiscal year 1964 and 1965—the regular biennial authorization. The authorization amounts are listed below with comparisons.

	1962 proposal	1963 present	1963 proposed	1964–65 proposed
Forest highways	$33,000,000	$33,000,000	$40,000,000	$50,000,000
Forest development roads and trails	35,000,000	40,000,000	60,000,000	70,000,000
Park roads	18,000,000	18,000,000	25,000,000	25,000,000
Parkways	16,000,000	16,000,000	25,000,000	25,000,000
Indian roads	12,000,000	12,000,000	17,000,000	18,000,000
Public land highways	3,500,000	3,000,000	7,000,000	7,000,000
Public land development roads and trails	None	None	2,000,000	4,000,000
Total	117,500,000	122,000,000	176,000,000	199,000,000

The amounts suggested are those needed to place and schedule the various natural resources road progress in national forests, parks, Indian, and public lands.

Section 3a of the bill defines a public land development road and trail as one needed for the development of the national resources, including forest, minerals, outdoor recreation, range, water, wildlife, and fish on land administered by the Bureau of Land Management in the Department of Interior. The section excludes from the definition those roads which are on the Federal-aid primary, secondary, urban, or interstate system. The provision thus provides an authorization for public land development woods and trails synonymous with national forest development roads and trails.

Section 3b proposes a device to assure better coordination of the road programs covered by chapter 2 of the Highway Act. The Commission provided for by this section will be composed of the Secretaries of Commerce, Agriculture, and Interior. It will not take over operating responsibilities or diminish the functions of the existing agencies. It will provide means for coordinated analyses of resource road needs, and authorization requests. It will also issue a biennial report, designed to reach the Congress and the State, the year when the biennial authorizations are to be considered. Finally it will provide a mechanism for coordinating resource road developments in those situations where two or more Federal agencies are involved. Section 4, of the bill is taken from Senate bill 501 by MORSE and others, with some modifications. Some technical sections from S. 1151 are included as follows:

First. How maintenance charges will be applied is more fully spelled out.

Second. A fuller explanation of the type of elements the Forest Service may grant is provided.

Third. A description of how easement may be terminated is included.

Fourth. Provision is made for recordation of papers or agreements with legal significance.

This section contains five basic policy statements on forest development and trails.

First. The authority for the Forest Service to construct roads for maximum long-term economy is confirmed.

Second. The policy of multiple use is confirmed by also defining these roads as multiple-use management roads.

Third. The authority to issue easements for roads is transferred from the Secretary of the Interior to the Secretary of Agriculture.

Fourth. Where mutual needs for access exist the granting of a right-of-way or road-use agreement may be conditioned upon receipt by the Forest Service of the rights it needs.

In introducing this bill I do so solely with the desire to have before a committee an omnibus measure which attempts to deal with all the matters in chapter 2 of the Highway Act in a coordinated and complete manner.

It is my hope that hearings will develop the type of legislation that is required if we are going to meet any road needs in the critical years ahead.

SEA LEVEL GHOST REVIVED

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 15 minutes.

Mr. FLOOD. Mr. Speaker, in the Wall Street Journal of March 28, 1961, there was featured an article under the overall title of "Big Ditch II." Its author is William Beecher, a staff reporter of the Journal.

In view of all the circumstances involved, it seems clear that the article is intended as spearhead propaganda for the construction of a new canal at Panama of so-called sea-level design. In this light, it would seem equally clear that construction industry and engineering sea-level advocates are up to their old tricks of waging a campaign for such design, with customary zeal and deceptive methods. As always heretofore, these advocates, in their enthusiasm, ignore not only the diplomatic aspects of Panama Canal questions, but also the far more economic proposal for modernization of the waterway known as the Terminal Lake-third locks plan.

This plan, which was developed in the Panama Canal organization during World War II from war operating experience, makes maximum utilization of the existing waterway and the huge investment that it represents.

For the benefit of those who may not be familiar with it, I may explain that the Terminal Lake-third locks solution provides for the elimination of the serious traffic bottleneck locks at Pedro Miguel, the consolidation of all Pacific locks in three lifts near Aguadulce to correspond with the lock arrangement at Gatun, and raising the Miraflores Lake level to that of Gatun Lake so as to form a summit anchorage at the Pacific end of the canal to match that in Gatun Lake at the Atlantic end. This plan would also provide for a set of larger locks for larger vessels and for raising the summit lake level a few feet to supply greater depths for navigation and more water for lockages.

Not only is this solution the most economic, it is the most logically developed from all significant points of view of any plan ever proposed and has been officially recognized as affording the best operational canal practicable of achievement.

In my inquiries into the problems of the Panama Canal, I have read widely, consulted many recognized ship canal and other experts, and flown over its entire length by helicopter to view the terrain and observe canal operations.

The idea of a summit level anchorage at the Pacific end as offering the solution of most of the serious operating problems of the Panama Canal, is so simple, obvious, and logical that I am at a loss to understand why this modification was not included in the 1939 legislation for the third locks project.

As a further digression, it should be noted that work on the third lock project was carried on until May 1942, when it was suspended because of more urgent needs for war materials and shipping. About $75 million of the taxpayers' money was expended on the excavation of lock sites at Miraflores and Gatun, most of which will be a material contribution toward any third locks construction. No excavation, fortunately, was started at Pedro Miguel.

May I suggest that Members of the Congress, when visiting the Canal Zone, inquire into the third locks project and inspect the lock and channel locations as originally planned for that project.

Now, Mr. Speaker, to return to my discussions of the Wall Street Journal article, I would emphasize that advocates of a sea-level canal at Panama, as al-

ways in the past, fail to reveal that a new treaty with Panama would be required to arrive at the specific conditions for its construction.

In the event that negotiation of a new treaty with Panama is undertaken, there is every likelihood of demands for a tremendous indemnity, greatly increased annuity, and further weakening or surrender to that country of U.S. rights, power, and authority over the Canal Zone and the canal itself.

The current propaganda effort utterly ignores the fact that if a new canal of sea-level design at Panama should be constructed, the clamor for its internationalization, aided and abetted by international communistic influences, would immediately ensue, with the possibility that internationalization might follow with resulting loss to the taxpayers of our country of the vast expenditures incurred.

Mr. Speaker, I wish to repeat what I have said many times before that it is grossly unfair and unjust to attempt to saddle upon our taxpayers such an extravagant and unnecessary boondoggle at this time of international peril, both fiscal and belligerent in character. It would have for its inevitable consequence the further opening of the already cracked Pandora's box of Isthmian and Caribbean problems.

It is indeed remarkable, Mr. Speaker, that sea-level advocates, some of whom are in official authority, unfailingly endeavor to conceal all the facts and consequences involved and strive to commit our Government to an unnecessary venture that would overnight plunge us into a measureless sea of expenses and diplomatic turmoil. All of this could be, and would be, obviated by the major improvement of our existing canal by proceeding with the Terminal Lake-third locks proposal, which does not require a new treaty with Panama.

Almost two decades have passed since work was suspended on the third locks project in 1942. Meanwhile, transit traffic has continued to grow, making proper action more urgent. Most certainly the time for further procrastination in arriving at a wise decision is over.

As shown by recent history, diplomatic difficulties still plague our relations with Panama, which has a long-range program for nationalization. For this reason, it might be wise to go to Nicaragua or elsewhere for a second Isthmian Canal, if one is required.

In view of all the factors involved, together with the fact that the Nation has a new administration, it might be well to create, as hitherto proposed, a predominantly civilian Interoceanic Canals Commission to deal with all of these questions.

The time is rapidly approaching when there must be additional trans-isthmian capacity. In determining our country's attitude, all the pertinent facts must be considered and met. To decide upon questions of such magnitude in purely administrative manner, is absolutely shocking and contrary to the dictates of wise policy.

Mr. Speaker, I consider it an outrage that attempts should be made to settle these grave questions as casual routine matters, bypassing the Congress and the President, and withholding pertinent facts from the people of our Nation.

I believe that the canal situation is such that it requires the introduction of a new measure for the creation of a competent and objective Interoceanic Canals Commission, charged with broad authorities for making the necessary studies and reports touching the matter of increased interoceanic transit facilities.

Accordingly, I have reintroduced such a measure and quote its text:

H.R. 6296

A bill to create the Interoceanic Canals Commission, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Interoceanic Canals Commission Act of 1961".

SEC. 2. (a) A commission is hereby created, to be known as the "Interoceanic Canals Commission" (hereinafter referred to as the "Commission"), and to be composed of eleven members to be appointed by the President, by and with the advice and consent of the Senate, as follows: One member shall be a commissioned officer of the line (active or retired) of the United States Army; one member shall be a commissioned officer of the line (active or retired) of the United States Navy; one member shall be a commissioned officer of the line (active or retired) of the United States Air Force; and eight members from civil life, four of whom shall be persons learned and skilled in the science of engineering. The President shall designate one of the members from civil life as Chairman, and shall fill all vacancies on the Commission in the same manner as are made the original appointments. The Commission shall cease to exist upon the completion of its work hereunder.

(b) The Chairman of the Commission shall receive compensation at the rate of $20,000 per annum, and the other members shall receive compensation at the rate of $18,000 per annum, each; but the members appointed from the Army, Navy, and Air Force shall receive only such compensation, in addition to their pay and allowances, as will make their total compensation from the United States $18,000 each.

SEC. 3. The Commission is authorized and directed to make and conduct a comprehensive investigation and study of all problems involved or arising in connection with plans or proposals for—

(a) an increase in the capacity and operational efficiency of the present Panama Canal through the adaptation of the Third Locks Project (53 Stat. 1409) to provide a summit-level terminal lake anchorage in the Pacific end of the canal to correspond with that in the Atlantic end, or by other modification or design of the existing facilities;

(b) the construction of a new Panama Canal of sea-level design, or any modification thereof;

(c) the construction and ownership, by the United States, of another canal or canals connecting the Atlantic and Pacific Oceans;

(d) the operation, maintenance, and protection of the Panama Canal, and of any other canal or canals which may be recommended by the Commission;

(e) treaty and territorial rights which may be deemed essential hereunder; and

(f) estimates of the respective costs of the undertakings herein enumerated.

SEC. 4. For the purpose of conducting all inquiries and investigations deemed necessary by the Commission in carrying out the provisions of this Act, the Commission is authorized to utilize any official reports, documents, data, and papers in the possession of the United States Government and its officials; and the Commission is given power to designate and authorize any member, or other officer, of the Commission, to administer oaths and affirmations, subpena witnesses, take evidence, procure information and data, and require the production of any books, papers, or other documents and records which the Commission may deem relevant or material for the purposes herein named. Such attendance of witnesses, and the production of documentary evidence, may be required from any place in the United States, or any territory, or any other area under the control or jurisdiction of the United States, including the Canal Zone.

SEC. 5. The Commission shall submit to the President and the Congress, not later than two years after the date of the enactment hereof, a final report containing the results and conclusions of its investigations and studies hereunder, with recommendations; and may, in its discretion, submit interim reports to the President and the Congress concerning the progress of its work. Such final report shall contain—

(a) the recommendations of the Commission with respect to the Panama Canal, and to any new interoceanic canal or canals which the Commission may consider feasible or desirable for the United States to construct, own, maintain, and operate;

(b) the estimates of the Commission as regards the approximate cost of carrying out its recommendations; and like estimates of cost as to the respective proposals and plans considered by the Commission and embraced in its final report; and

(c) such information as the Commission may have been able to obtain with respect to the necessity for the acquisition, by the United States, of new, or additional, rights, privileges, and concessions, by means of treaties or agreements with foreign nations, before there may be made the execution of any plans or projects recommended by the Commission.

SEC. 6. The Commission shall appoint a secretary, who shall receive compensation fixed in accordance with the Classification Act of 1949, as amended, and shall serve at the pleasure of the Commission.

SEC. 7. The Commission is hereby authorized to appoint and fix the compensation of such engineers, surveyors, experts or advisers deemed by the Commission necessary hereunder, as limited by the provisions in title 5, United States Code, section 55a (1946 edition); and may make such expenditures—including those for actual travel and subsistence of members of the Commission and its employees—not exceeding $13 for subsistence expense for any one person for any calendar day; for rent of quarters at the seat of government, or elsewhere; for personal services at the seat of government, or elsewhere; and for printing and binding necessary for the efficient and adequate functions of the Commission hereunder. All expenses of the Commission shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the Chairman of the Commission, or such other official of the Commission as the Commission may designate.

SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions and purposes of this Act.

A FRESH LOOK AT TAX-EXEMPT FOUNDATIONS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, changing uses of our national wealth, how it is distributed, and the purposes for which it is used are ever the responsibility and obligation of a watchful Congress. Why did one section of the economy deteriorate? Why did another expand? What caused the decline or expansion?

One element of the economy that appears to have had a disproportionately rapid growth in recent years is the tax-exempt foundation. To say that it has grown rapidly is probably a colossal understatement. For instance, the Foundation Directory, prepared by the Foundation Library Center, reported on 899 foundations in 1948, 4,164 foundations in 1955, and 5,202 foundations in its 1960 issue. These foundations have assets totaling $11,518 million. They have annual expenditures of $686,400,000, including average annual grants of $625,600,000. Eight foundations have assets exceeding $100 million, the Ford Foundation topping them all with $3,316 million; 129 have assets exceeding $10 million, and 757 have assets of more than $1 million.

MORE THAN 12,000 FOUNDATIONS

In addition to the 5,000-plus foundations covered in the directory, there are 7,000 smaller foundations—average assets, $13,600 each—not covered in the report. The fact that most foundations are small does not mean they will remain in that category. Example: the Ford Foundation was created in 1936 with assets of $25,000. Assets of dozens of others have multiplied, but not as dynamically as Ford.

Let us digress here to say we have nothing but praise for the wonderful work that has been and is being done by foundations in many fields such as education, health, social welfare, scientific research, humanities, religion, international affairs, and government. So our thought today is not to criticize, but to urge Congress to take a fresh look. What has brought about this feverish growth? Do the goals in view truly justify this vast accumulation of wealth? Should we not again reexamine the tax-exempt status of foundation activities? Why do the numbers of foundations and their assets undergo explosive growth in some economic eras and lie virtually dormant in others?

Company-sponsored foundations may be cited as an example of growth periods. Before 1940 there were 30 company-sponsored foundations. At the close of 1957, there were 1,226. The upsurge started during World War II, but the biggest splurge was in 1952 and 1953. The heavy increase in the Federal corporation income tax during the war obviously stimulated the formation of company-sponsored tax-exempt foundations. This certainly was true in the case of the excess profits tax which most recently was in effect from July 1950 through 1953.

FOUNDED FOR TAX RELIEF

Many smaller foundations were established for tax relief or other personal advantage. This also applied to larger tax-exempt foundations. It permitted the family to remain in full voting control of the business enterprise whose funds were used to create the foundation. It enabled the family to benefit from any increase in the value of the equity. In event of inflation, the family would become entitled to receive the benefit of the increase in the monetary value of the company. No working capital is lost in establishing the foundation, which also may be used as a vehicle to provide employment for relatives and friends.

The Ford Foundation is a good example of the use of a foundation to solve the death-tax problem and at the same time to enable the family to retain control of a huge enterprise. Ninety percent of the ownership of the Ford Motor Co. was transferred to the Ford Foundation, created for that purpose. It is generally felt that the Ford family would have lost control of the company had the foundation not been established. The only other practical alternative probably would have been to sell a large part of the stock to the public or to bankers to meet the huge taxes payable by the Ford estates. The solution selected was to give away 90 percent of the company to "charity."

The company-sponsored foundations are tax-exempt, nonprofit, legal entities separate from the sponsoring company or companies, but with trustees consisting entirely or in large part of company officers and directors. Further, with the exception of large national corporations, their foundation activities are usually confined to communities where they have offices or plants, and to philanthropic channels that will benefit the corporation, its employees, stockholders or business interests. Would it not be wise for Congress to examine the extent of these activities? How much can be considered philanthropy, and to what extent should tax exemption be allowed?

SPECIAL PURPOSE FUNDS

It is high time that Congress take another look into special purpose foundations. The Foundation Directory reports that a special purpose foundation may be as narrow as the Dr. Coles Trust Fund to provide ice cream for the pupils of Scotch Plains and Fanwood, N.J., schools—a fund too small to be included in the directory—or it may be broad enough to cover all phases of education. The smaller special purpose foundations are usually set up by will or trust rather than by incorporation. Most of them serve worthwhile purposes—or at least purposes that do not impair the public welfare. Congress should, however, determine what so-called foundations or trusts are flying under false colors. Previous investigations have shown that some organizations have set themselves up as educational foundations while actually their function was subversive political propaganda.

Special attention should be given to abuses by foundations formed primarily as agencies to collect money from the general public. While many of them claim to be foundations and usually get the word "education" in their titles, they actually are collection agencies. Some of these organizations have been investigated extensively in the State of New York and elsewhere. Organizations like the National Better Business Bureau also can provide extensive information concerning them. A chief complaint against many of these organizations is that their costs of operation often far exceed the net amount available for distribution to charities. Perhaps it would be well for Congress to consider legislation to protect the public against such abuses.

CALLS FOR SCRUPULOUS POLICING

Even those most closely associated with the foundation movement agree that tax-exempt foundations must scrupulously police their activities or Government must do it for them.

With that in mind, let me say here that I shall be referring from time to time to the Foundation Library Center. It is located in New York and was established to collect, and make available to the public, information about foundations, and to promote sound standards for foundation reporting. The Foundation Library Center is supported through grants from the Ford, Rockefeller, Carnegie, and W. K. Kellogg Foundations with the Russell Sage Foundation assisting by publishing some of the library's books and pamphlets. Director of the Foundation Library Center is F. Emerson Andrews.

I have mentioned this now because I want to read to you what Mr. Andrews has said on more than one occasion about the public responsibility of tax-exempt foundations. It is this:

> Foundations and charitable trusts receive from society certain privileges, of which tax exemption is the most tangible. In return for such solid advantages, and also in view of the fact that the ultimate beneficiary is society itself, however particularly the gift may be directed, it seems wholly proper that the foundation should account for its stewardship. The availability of the new social asset should be made known promptly and widely. Operations of the exempt organization should be fully disclosed, and, if it is of substantial size, regularly and publicly reported. Such disclosure may be all that is necessary in the public interest. But unless wide voluntary cooperation is secured for this degree of accountability, controls may be imposed by Government that will limit, and may destroy, the very freedom which has made foundations so significant a factor in pioneering research and social progress.

We shall discuss foundation financial reporting in more detail at another time. For the present, let us consider whether we are justified in overlooking lack of adequate controls simply because the words "charity," "education," or "the good of mankind" find their way into the names of some so-called foundations.

If Congress feels that tighter controls must be established, it obviously must be handled on a Federal basis. Currently, controls and regulations are left primarily to the States, but very few States have effective regulations and all are different.

NEW HAMPSHIRE OFFERS LESSON

New Hampshire was the first State to act on regulation of foundations and trusts. When its Trust Registry Act be-

came effective more than 20 years ago, it was reported that "a number of slumbering trusts" were discovered. In one case a trust had been accumulating for 18 years until its assets totaled $100,000. Another had accumulated for 47 years until its assets had grown from $30,000 to $90,000. In neither case had any grant been made to a beneficiary.

A third case, according to Prof. Eleanor K. Taylor in her book, "Public Accountability of Foundations and Charitable Trusts," was nipped in the bud just in time. A gift made 20 years earlier was subject to a reverter and was within 2 months of reversion when it was discovered. In this instance an educational bequest of more than $1 million was secured for the State. Yet, the very existence of the bequest had never been known, and would not have been known except for the Trust Registry Act.

The New Hampshire experience suggests the extent to which trustee obligations are left to chance in other States lacking comparable enforcement machinery.

The definition of a pure foundation has been stated like this:

A foundation may be defined as a nongovernmental, nonprofit organization having a principal fund of its own, managed by its own trustees or directors, and established to maintain or aid social, educational, charitable, religious, or other activities serving the common welfare.

But the privileges which encourage charitable giving have become an invitation to abuse. Tax exemption is the most obvious example of inducements that create regulatory problems. Profits to the donor, particularly in the upper-income tax brackets, may be substantial. In one of his writings Dr. Andrews said:

Whether the "recording angel" sets down to the giver the total amount the charity receives or the net cost of the gift is a matter on which there are no statistical data.

When the gift is in the form of appreciated assets, it is actually possible for the donor to be richer as a result of his gift. By giving, rather than selling, he reduces his income tax and escapes the capital gains tax.

TO PERPETUATE WEALTH

The foundation today is used to perpetuate wealth just as were the old laws of entail and primogeniture. When Thomas Jefferson began his successful fight in the Virginia House of Delegates to repeal these laws, Virginia's baronies were held in entail by a few families. By the law of primogeniture they were passed from heir to heir and could not be broken up or divided. As Jefferson described it:

The transmission of this property from generation to generation in the same name raised up a distinct set of families who, being privileged by law in the perpetuation of their wealth, were thus formed into Patrician order, distinguished by the splendor and luxury of their establishments.

The special House Committee To Investigate Foundations—the Cox committee—found a striking similarity in its 1953 studies. It reported:

Many have urged that a "rule against perpetuities" be applied to foundations in the form of an aggregate limit on life of, say, from 10 to 25 years. We strongly support this proposal. It should be applied primarily to foundations and other noninstitutional organizations whose sole or chief function is distributing grants. * * * This would minimize the use of the mechanism to enable a family to continue control of enterprises ad infinitum; avoid the calcification which sometimes sets in on foundations; and, among other desirable objectives, minimize the seriousness of the danger that a foundation might, in some future period, pass into the control of persons whose objectives differed materially from those which the creator of the foundation intended. (H. Rept. No. 2681, 83d Cong., 2d sess., p. 214.)

The pressure of the present high rate of taxes induces the creation of foundations to perpetuate vast fortunes and accumulate extraordinary wealth. It is a loophole to effectuate tax savings but it is a perfectly legal loophole. Nothing is wrong legally, but is it wrong morally? Jefferson felt so strongly about the damaging effects of the laws of entail and primogeniture that he did not believe a free government could survive without their repeal. Although he was a member of what he called the "aristocracy of wealth," he felt that the power and privilege that accompanied concentrated wealth could only lead to tyranny.

Are we not facing that same concentrated and perpetuity of wealth today? The Ford Foundation was started in 1936 with assets of $25,000. As of 1959 the assets were $3,316 million. We cite Ford because it is by far the biggest. But almost all foundations grow every year. More funds are poured into them from profits or estates. Further, part of the foundation's income is added to the assets. The $415 million Duke Endowment withholds 20 percent of its annual income to be added to the assets.

Certainly the swelling growth of tax-exempt foundations should be of concern to all of us. Would it not be advisable for Congress to take a fresh look at this segment of our national life? Should we not find out where this untaxable pyramiding of wealth is leading us?

Mr. Speaker, in the near future I will discuss other phases of the foundation trend—the power and influence of big foundations, statutory provisions governing foundations, accountability requirements, corporation-sponsored foundations, and other tax-exempt groups.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. RHODES of Arizona for 1 hour today.

Mr. POWELL (at the request of Mr. MCCORMACK) for 30 minutes today, to revise and extend his remarks and to include extraneous matter.

Mr. FLOOD (at the request of Mr. ADDABBO) for 15 minutes today, to revise and extend his remarks and to include extraneous matter.

Mr. DENT (at the request of Mr. ADDABBO) for 30 minutes on tomorrow, to revise and extend his remarks and to include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. DOYLE and to include extraneous matter.

Mr. LINDSAY.

(The following Member (at the request of Mr. SHORT) and to include extraneous matter:)

Mr. PATMAN.

(The following Members (at the request of Mr. LANGEN) and to include extraneous matter:)

Mr. DEROUNIAN.

Mr. DOOLEY.

(The following Members (at the request of Mr. ADDABBO) and to include extraneous matter and tables:)

Mr. ANFUSO in two instances.

Mr. MCDOWELL.

Mr. STRATTON.

SENATE BILL AND JOINT RESOLUTIONS REFERRED

A bill and joint resolutions of the Senate were taken from the Speaker's table and, under the rule, referred as follows:

S. 1748. An act to provide for the increased distribution of the CONGRESSIONAL RECORD to the Federal judiciary; to the Committee on House Administration.

S.J. Res. 24. Joint resolution designating the fourth Sunday in September of each year as Interfaith Day; to the Committee on the Judiciary.

S.J. Res. 34. Joint resolution designating the week of October 9–15, 1961, as National American Guild of Variety Artists Week; to the Committee on the Judiciary.

S.J. Res. 65. Joint resolution designating the week of May 14–20, 1961, as Police Week and designating May 15, 1961, as Peace Officers Memorial Day; to the Committee on the Judiciary.

S.J. Res. 68. Joint resolution providing for the designation of the week commencing October 1, 1961, as National Public Works Week; to the Committee on the Judiciary.

ADJOURNMENT

Mr. ADDABBO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 46 minutes p.m.), the House adjourned until tomorrow, Wednesday, May 3, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred, as follows:

855. A letter from the Secretary of Agriculture, transmitting the report of the General Sales Manager for February 1961 concerning the policies, activities, and developments, with regard to each commodity which the Commodity Credit Corporation owns or which it is directed to support; to the Committee on Appropriations.

856. A letter from the Director, District Unemployment Compensation Board, government of the District of Columbia, transmitting a copy of the annual report of the District Unemployment Compensation Board for the year 1960; to the Committee on the District of Columbia.

857. A letter from the Assistant Secretary of State, transmitting the "Report of the

International Joint Commission, United States and Canada, on the International Passamaquoddy Tidal Power Project," dated April 4, 1961, pursuant to Public Law 401, 84th Congress; to the Committee on Foreign Affairs.

858. A letter from the Assistant Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to increase the appropriation authorization for the completion of the construction of the irrigation and power systems of the Flathead Indian irrigation project, Montana"; to the Committee on Interior and Insular Affairs.

859. A letter from the Secretary of the Air Force, transmitting a draft of a proposed bill entitled "A bill to provide for the restriction of certain areas in the Outer Continental Shelf for defense purposes, and for other purposes (Matagorda water range)"; to the Committee on Interior and Insular Affairs.

860. A letter from the Attorney General, transmitting a draft of a proposed bill entitled "A bill to simplify the payment of certain miscellaneous judgments and the payment of certain compromise settlements"; to the Committee on the Judiciary.

861. A letter from the Attorney General, transmitting a draft of a proposed bill entitled "A bill to amend section 35 of title 18, United States Code"; to the Committee on the Judiciary.

862. A communication from the President of the United States, transmitting a draft of a proposed bill entitled "A bill to amend title 38, United States Code, to provide certain increases in rates of disability compensation and allowances for veterans"; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. POWELL: Committee of conference. H.R. 3935. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in commerce or in the production of goods for commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes (Rept. No. 327). Ordered to be printed.

Mr. PATMAN: Joint Economic Committee. 1961 Economic Report (Rept. No. 328). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELANEY: Committee on Rules. House Resolution 274. Resolution for consideration of H.R. 6441, a bill to amend the Federal Water Pollution Control Act to provide for a more effective program of water pollution control; without amendment (Rept. No. 329). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOLIFIELD (by request):

H.R. 6744. A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. ASPINALL (by request):

H.R. 6745. A bill to provide for the restriction of certain areas in the Outer Continental Shelf for defense purposes, and for other purposes (Matagorda Water Range); to the Committee on Interior and Insular Affairs.

By Mr. CELLER:

H.R. 6746. A bill to repeal 18 U.S.C. 791 so as to extend the application of chapter 37 of title 18, relating to espionage and censorship; to the Committee on the Judiciary.

By Mr. JAMES C. DAVIS:

H.R. 6747. A bill to amend the Juvenile Court Act of the District of Columbia; to the Committee on the District of Columbia.

By Mr. DERWINSKI:

H.R. 6748. A bill to amend section 9 of the Federal Reserve Act, as amended, section 18 (d) of the Federal Deposit Insurance Act, and section 5155 of the Revised Statutes, as amended, and for other purposes; to the Committee on Banking and Currency.

H.R. 6749. A bill to provide that no member of the Board of Directors of the Federal Deposit Insurance Corporation shall hold any other public office or position and for other purposes; to the Committee on Banking and Currency.

By Mr. FULTON:

H.R. 6750. A bill to amend title 38 of the United States Code to provide that multiple sclerosis developing a 10 percent or more degree of disability within 5 years after separation from active service shall be presumed to be service connected; to the Committee on Veterans' Affairs.

H.R. 6751. A bill to amend the Internal Revenue Code of 1954 to repeal the tax on transportation of persons; to the Committee on Ways and Means.

By Mr. HALPERN:

H.R. 6752. A bill to amend section 213 of the National Housing Act to authorize cooperative housing projects to utilize (without specific FHA permission) funds in their operating reserves for necessary replacement, improvement, or repairs; to the Committee on Banking and Currency.

H.R. 6753. A bill to amend section 213 of the National Housing Act to provide a system of supplementary financing for cooperative housing projects insured under that section; to the Committee on Banking and Currency.

H.R. 6754. A bill to authorize assistance to public and other nonprofit institutions of higher education in financing the construction, rehabilitation, or improvement of needed academic and related facilities, and to authorize scholarships for undergraduate study in such institutions and special national awards for academic excellence; to the Committee on Education and Labor.

H.R. 6755. A bill to amend the Federal Water Pollution Control Act to provide for a more effective program of water pollution control; to the Committee on Public Works.

By Mr. INOUYE:

H.R. 6756. A bill to amend sections 4561, 6082, and 9561 of title 10, United States Code, to require that to the extent practicable coffee provided as part of the military ration shall contain not less than 10 percent of Kona coffee grown in the United States; to the Committee on Armed Services.

H.R. 6757. A bill to increase the college housing loan authorization and for other purposes; to the Committee on Banking and Currency.

By Mr. JOHNSON of California:

H.R. 6758. A bill to provide increased authorizations for the fiscal year 1963 and authorizations for fiscal years 1964 and 1965 for forest highways, forest development roads and trails, park roads and trails, Indian reservation roads, public land highways, and public land development roads and trails; to establish a National Resources Road Commission to provide for a system of forest development roads and trails for utilization and protection of lands administered by the Forest Service, and for other purposes; to the Committee on Public Works.

By Mr. LANKFORD:

H.R. 6759. A bill for the relief of the Prince Georges County School Board, Maryland; to the Committee on the Judiciary.

By Mr. McFALL:

H.R. 6760. A bill to prohibit unjust discrimination in employment because of age; to the Committee on Education and Labor.

By Mr. GEORGE P. MILLER:

H.R. 6761. A bill to amend sections 4504, 4511, 4520, and 4549 of the Revised Statutes, relating to shipping articles; to the Committee on Merchant Marine and Fisheries.

By Mr. POWELL:

H.R. 6762. A bill to amend the National Defense Education Act of 1958 to authorize the Commissioner of Education to award undergraduate scholarships in American institutions of higher education to certain students from Africa, Asia, and Latin America in order to help prepare those students to become national leaders in their home countries; to the Committee on Education and Labor.

By Mr. REUSS:

H.R. 6763. A bill to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extensions of credit; to the Committee on Banking and Currency.

By Mr. SAUND:

H.R. 6764. A bill to amend section 8(e) of the Agricultural Adjustment Act of 1933, as amended, and reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, so as to provide for the extension of the restrictions on imported commodities imposed by such section to imported shelled walnuts, dates with pits, dates with pits removed, and products made principally of dates; to the Committee on Agriculture.

By Mr. SPENCE:

H.R. 6765. A bill to authorize acceptance of an amendment to the articles of agreement of the International Finance Corporation permitting investment in capital stock; to the Committee on Banking and Currency.

By Mr. TOLL:

H.R. 6766. A bill to amend the Expediting Act (56 Stat. 198; 15 U.S.C., sec. 28) so as to provide for appointment of a national panel of antitrust judges; to the Committee on the Judiciary.

By Mr. TUPPER:

H.J. Res. 399. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. HARVEY of Indiana:

H. Con. Res. 231. Concurrent resolution expressing the sense of Congress that the United States should not grant further tariff reductions in the present tariff negotiations under the provisions of the Trade Agreements Extension Act of 1958, and for other purposes; to the Committee on Ways and Means.

By Mr. SIKES:

H. Con. Res. 232. Concurrent resolution expressing the sense of Congress that the United States should not grant further tariff reductions in the present tariff negotiations under the provisions of the Trade Agreements Extension Act of 1958, and for other purposes; to the Committee on Ways and Means.

By Mr. DOLE:

H. Res. 273. Resolution opposing the seating of Communist China into the United Nations; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the State of Alaska, memorializing the President and the Congress of the

United States relative to the 6 percent construction bid differential for Pacific coast shipbuilders, which was referred to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FULTON:

H.R. 6767. A bill for the relief of Charles H. Stype; to the Committee on the Judiciary.

By Mr. JOHNSON of California:

H.R. 6768. A bill for the relief of Nicolita Boonos (also known as Nikolitsa Bounos); to the Committee on the Judiciary.

By Mr. LANKFORD (by request):

H.R. 6769. A bill to provide for the issuance of a license to practice pharmacy in the District of Columbia to Paul L. Miller; to the Committee on the District of Columbia.

By Mr. MONAGAN:

H.R. 6770. A bill for the relief of Manuel Pires; to the Committee on the Judiciary.

H.R. 6771. A bill for the relief of Laura Do Nascimento; to the Committee on the Judiciary.

By Mr. WALTER:

H.R. 6772. A bill for the relief of Hendrikus Zoetmulder (Harry Combres); to the Committee on the Judiciary.

H.R. 6773. A bill to repeal the act of August 14, 1957 (Private Law 85–160); to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

135. By Mr. KOWALSKI: Resolution of the representative town meeting of the town of Groton, Conn., urging continuance of Public Law 874, to provide Federal school aid for impacted areas; to the Committee on Education and Labor.

136. By the SPEAKER: Petition of Peter Minwegan, King's House of Retreats, Belleville, Ill., relative to urging that any aid to education include all citizen-students, whether they attend public or independent schools; to the Committee on Education and Labor.

EXTENSIONS OF REMARKS

Commuter Railroads

EXTENSION OF REMARKS
OF
HON. EDWIN B. DOOLEY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 2, 1961

Mr. DOOLEY. Mr. Speaker, for several years now the commuter railroads serving our large metropolitan areas have found it increasingly difficult to render the kind of service our expanding population wants and is entitled to have. The causes of the decline of the commuter railroads are many and complex—high taxes, losses of revenue to Government subsidized highway and air carriers, to name but two. And the solutions to the problems of the commuter lines have been equally varied, ranging all the way from Government ownership to complete discontinuance of this important service.

There have been a number of sound plans proposed. But none of these has been implemented. Instead we have stood idly by, watched our commuter railroad service decline, and have failed to offer a helping hand. Though the number of people flowing in and out of our metropolitan areas each day has increased tremendously since World War II, total annual rail commutation dropped 124 million from 1947 to 1957. Nowhere has this decline been more painfully evident than in the New York City area. Here the New York Central Railroad, one of the Nation's most important carriers, has alone lost 47.6 percent of its passengers since 1949.

At this time of crisis in our Nation's commuter railroads, a new threat to the continued operations of the New York Central has appeared in the form of the Chesapeake & Ohio Railroad's proposal for control of the Baltimore & Ohio railroads.

The New York Central has pointed out that this control, if approved by the Interstate Commerce Commission, would give the combined C. & O.-B. & O. Railroad a total of 185 points served in common with the New York Central. Not only is this kind of duplication wasteful, but it gives the combined system the ability to take freight traffic away from the New York Central and other railroads serving the area.

The New York Central notes:

The freight traffic most susceptible to raiding by the C. & O.-B. & O. provides the backbone of Central's revenues. These revenues make it possible to provide essential freight and passenger service over the entire New York Central system as well as the New York area commuter and terminal freight services. If these services are to be maintained, the New York Central must have the revenues to make them possible.

The New York Central today handles 60 percent of all southbound commuter traffic coming into New York City. This is a $14 million operation involving 3,500 employees who work on commuter traffic exclusively. A blow to this phase of the Central's operations would have serious economic consequences not only to the railroad itself, but to the 40,000 people per day who are provided with efficient, reasonably priced transportation in and out of the city.

There is a workable alternative to this potentially dangerous and harmful C. & O.-B. & O. merger scheme—

The Central has pointed out.

The logic of creating a strong, balanced, competitive two-system railroad service in the East is so obvious that B. & O. was publicly committed to the approach outlined here.

Detailed studies of the plan were well underway. Though far from completion, these studies indicated beyond a doubt that savings would result which would be of unprecedented benefit to the railroads concerned, their investors, their customers, their users, and to the public at large.

Then, abandoning the studies in the face of their promising outlook for all concerned, B. & O. entered on-again-off-again negotiations with C. & O. which resulted in the present situation.

In the light of the facts at hand, however, New York Central intends to pursue the objective of helping to create a healthy two-system eastern railroad structure in the public interest.

The Interstate Commerce Commission will commence its deliberations on the proposed C. & O.-B. & O. merger on June 18. Obviously, the Interstate Commerce Commission will not force the New York Central to further curtail its commuter operations by giving undue competitive advantages to the lines that wish to merge.

However, there is a more profound consideration to this proposed merger than profit and loss. That is, will it serve the long-range public interest?

For the past 40 years Congress has advocated a carefully planned, balanced and competitive railway system. We must ask ourselves which of the two alternatives will help the commuter—the two-way B. & O.-C. & O. merger, or the three-way New York Central-B. & O.-C. & O. merger. Which will serve not only the best interest of the stockholders, but the interests of all the traveling public?

Tribute to Retiring Publisher Arthur Hays Sulzberger and Editorial Page Editor Charles Merz, of the New York Times

EXTENSION OF REMARKS
OF
HON. JOHN V. LINDSAY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 2, 1961

Mr. LINDSAY. Mr. Speaker, I rise today to pay tribute to a great newspaper, the New York Times, on the occasion of a major change in its top executive command.

Arthur Hays Sulzberger has been a distinguished publisher of this distinguished newspaper and it is fitting that we take due notice of his major contribution to American journalism on the occasion of his retirement. I am pleased to note that Mr. Sulzberger will continue to serve as chairman of the board of the New York Times.

Mr. Sulzberger's successor as publisher is Mr. Orvil E. Dryfoos, who is president of the New York Times Co., and who has been with the Times since 1942. Mr. Dryfoos' outstanding career as a journalist guarantees that the high standards which have made the Times one of the world's great newspapers will be maintained.

I am also pleased to note that Mr. John B. Oakes, a member of the Times staff since 1946, has been appointed as editorial page editor. Mr. Oakes succeeds Charles Merz, editor since 1938, who now becomes editor emeritus.

I should like at this time, Mr. Speaker, to pay warm tribute to Arthur Hays Sulzberger and Charles Merz on the occasion of their retirement from distinguished careers in American journalism.

My heartiest congratulations go to their successors, Orvil E. Dryfoos and John B. Oakes, who can be counted upon to sustain the illustrious tradition of the New York Times.

The people of the 17th District of New York, and I as their Representative in Congress, take great pride in the New York Times as one of the great and authoritative newspapers of the world.

Naval Blockade of Cuba

EXTENSION OF REMARKS
OF

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1961

Mr. STRATTON. Mr. Speaker, in my latest newsletter to my constituents I urged the imposition of a naval blockade of Cuba as the only effective method of preventing continued Soviet armaments from coming into the Western Hemisphere in violation of the Monroe Doctrine. Yesterday, I had the privilege of reading a thoughtful article in the U.S. News & World Report of May 8 which discussed this type of action in more detail, including both its advantages and its disadvantages.

Under leave to extend my remarks, I include the relevant portion of my newsletter, together with the text of the article from the U.S. News & World Report:

YOUR CONGRESSMAN, SAMUEL S. STRATTON, REPORTS FROM WASHINGTON, MAY 1, 1961

Cuban S.S.R.: Whatever may have been the setbacks resulting from the unsuccessful attempt of the Cuban rebels to establish a beachhead on the Castro-held mainland last week, there was at least one positive benefit, and that was the clear-cut revelation to the whole world of the complete conversion of Cuba into a Russian-dominated military base.

In fact, one of the major reasons for the failure of the ill-starred expedition appears to have been a lack of full information on the extent to which Cuba has been getting this Russian military equipment. Somehow, the pictures and stories of Soviet T-34 tanks on Cuban beaches and Russian Mig jet fighters strafing rebel troops has brought home to all of us the stark, blunt truth of what it means to have a Russian military base 90 miles away from home. Russian tanks and planes in Cuba jeopardize the security of the United States, violate the Monroe Doctrine, and threaten the security of every other Latin American republic.

Once the full extent of this Russian military penetration of Cuba was clear, President Kennedy announced we would take whatever action was appropriate to prevent this, even if we had to go it alone. But the Latin American republics who have been rather inclined to drag their feet on taking action against Castro also reacted swiftly last week by finally throwing Cuba off the Inter-American Defense Board. For years the United States had been trying to get these countries to exclude Castro's representative from secret military talks. But it took the pictures of the Migs and the T-34 tanks to do the job. There is a new atmosphere of urgency in Washington this week. You can see it, for example, in the extensive efforts President Kennedy has made to enlist solid bipartisan support for his actions toward both Cuba and Laos; efforts, as I see it, which are being directed, by the way, toward support for future actions, not for those already past.

What the next move will be only time, of course, will tell. Personally, I think we ought to set up an immediate naval blockade of Cuba. We simply can't tolerate further Russian weapons, including the possibility of long-range nuclear missiles, being located in Cuba. Obviously, we can't stop them from coming in, however, just by talk. A naval blockade would be thoroughly in line with the Monroe Doctrine, would be a relatively simple operation to carry out, and would bring an abrupt end to Soviet penetration of our hemisphere.

[From U.S. News & World Report, May 8, 1961]

NEXT FOR CUBA: AN ARMS BLOCKADE?

Look at Castro now—cockier than ever, with arms and agents to threaten the Americas.

How can the United States act?

Blockade is one answer offered by experts. In it they see a way to isolate Cuba, stop infiltration, maybe finish Castro, too.

This is the question now facing President Kennedy: How to put a stop to the Soviet buildup in Cuba and to Communist infiltration of this hemisphere?

On April 25, the White House reported that a total embargo of remaining U.S. trade with Cuba was being considered. Its aim: To undermine further Cuba's economy, weaken Castro.

Another strategy—bolder and tougher—was also attracting notice in Washington: A naval and air blockade to cut Cuba off from the world, destroy Castro.

Blockade, in the view of military and civilian experts, could restore teeth to the Monroe Doctrine. It could halt a flood of Communist arms and strategic supplies now reaching Castro. It could stop Cuban reexport of guns and propaganda materials to South America. It would be the most severe reprisal, short of declared war, that the United States could invoke against Castro.

It is the strategy of blockade, therefore, that is suddenly at the center of attention of administration officials, Members of Congress, officers in the Pentagon. As a possible course of action, it also is the center of debate and is raising many questions. Among these questions:

WHAT WOULD A CUBA BLOCKADE TAKE?

Military experts say a tight naval blockade off Cuban ports and at the approaches to Cuban waters would require two naval task forces, each built around an aircraft carrier with a complement of about 100 planes and several destroyers.

The Navy, on April 25, announced it is bringing back the carrier *Shangri-La* from the Mediterranean, increasing to four the number of attack carriers in the vicinity of Cuba. More than 36 other big Navy ships are no less than a day's sailing time away.

To round out the blockading force, submarines would be needed—to locate, identify and track approaching vessels. Land-based radar would help with this task. So would radar picket ships. A squadron of Navy jets and another of long-range patrol planes would add support to the carrier task forces.

Three requirements go with a blockade: It must be proclaimed; the blockading force must be powerful enough to enforce it; and it must be enforced without discrimination.

Once these conditions of international law are met, countries that try to run to blockade do so at their own risk. Blockade runners can be stopped—by gunfire, if necessary—searched and held, at least temporarily. They could be sent to U.S. ports for rulings whether cargo should be confiscated.

WHAT COULD A BLOCKADE ACCOMPLISH?

Plenty, say the experts. In a broad sense, it would reaffirm the Monroe Doctrine by opposing Communist interference in the Western Hemisphere. It could, by avoiding direct intervention, provide a short-of-war strategy to meet short-of-war infiltration.

Primary target would be shipments of tanks, guns, aviation gasoline and ammunition coming from Russia and Czechoslovakia. Shipments of arms from Western countries could similarly be seized as contraband. In a total blockade, action could also be taken against ships bringing in chemicals, oils, textiles, and even foodstuffs. At times, three ships a day from the Soviet bloc are unloading in Cuban ports. Castro's military machine and his economy could be squeezed as hard as the United States felt necessary to bring about his downfall.

To be totally effective, surface blockade must be acompanied by air blockade. Here, argument is heard. Some experts insist that all air traffic for Cuba would have to be diverted, forced to turn back or to land at designated friendly airfields. Those that pass U.S. ground checks could continue.

Other experts see this as risky business, creating danger of aerial duels and—if the Soviets wanted to press hard enough—the danger of war. These experts claim the risk is not worth it. They are convinced the Soviet bloc could not give substantial airlift support to Cuba, because of the long distances involved. They point out that, during the Berlin blockade, it cost the United States more than $200 million to airlift 1.2 million tons of supplies for short distances. A glance at a world map shows the limitations of a Soviet effort in the Caribbean.

WOULD THE UNITED STATES BE GOING IT ALONE?

Almost certainly, say the experts. They see no chance of either the United Nations or the Organization of American States lending approval to a peacetime blockade of a member state. Those who favor a blockade of Cuba are not deterred by this.

President Kennedy, as Commander in Chief of the Armed Forces, has the power to order the Navy into any action short of declared war, even though shots may be fired. Use of a carrier task force by President Eisenhower last November off Guatemala and Nicaragua was, in essence, a pacific blockade with orders to prevent the landing of armed forces and supplies from Cuba. Panama received similar U.S. naval help in 1959. In 1954, the Navy was alerted to search for a ship carrying arms to Guatemala.

BUT A PEACETIME BLOCKADE—IS THAT LEGAL?

A debate is now developing over just how far the United States can go in a blockade of Cuba, and stay within bounds of international law.

Basically, there are two kinds of blockade. One is the belligerent blockade that accompanies declared and open warfare. The United States has taken part in three major belligerent blockades—in the Civil War and in World Wars I and II. Belligerent blockades have been common in history and are governed by well-established "regulations."

Second type is the pacific blockade, usually defined as a reprisal in time of peace, to block off trade. Pacific blockades are not recog-

nized in a strict sense, but are accepted as acts against international delinquency. The British and French, for example, joined in establishing a pacific blockade against the Dutch in 1831.

A pacific blockade can be invoked without declaration of war, but some U.S. experts believe that any naval blockade without sanction of an international organization is an act of war. They say that it would depend entirely on how Cuba and Castro regard and interpret the action.

Main point that troubles the legalists is this: There is considerable doubt whether a pacific blockade would give a clear right to stop any but Cuban and U.S. ships. The United States, for example, has argued in the past that a pacific blockade cannot legally be applied against a third power. Under this interpretation, Soviet vessels must be allowed free access to Cuba if the United States is to pay strict regard to international law. This is important to those who want to make a blockade conform as closely as possible to precedent.

Others say this is a time to be practical and not legal. They see the situation boiling down to this: If the United States is determined to act first and argue later about the legal aspects, a blockade can be made effective.

Protection for the American Consumer

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 2, 1961

Mr. ANFUSO. Mr. Speaker, on March 28, 1961, I introduced a resolution calling for the creation of a House Select Committee on Consumer Problems. Its purpose would be to conduct studies and investigations regarding the administration of Federal laws relating to consumers, the extent to which Government agencies adequately serve the needs of consumers, and to assemble facts and information on consumer problems to aid Congress in enacting remedial legislation.

In a statement in the RECORD at the time I introduced my resolution, House Resolution 240, I stated as follows:

Think of all the instances that have come to light in recent years involving price rigging, fraudulent advertising, low standards of purity and wholesomeness of food and other articles, misleading labeling, deceptive packaging, misrepresentations in manufacturing, and other ways to deceive the American consumer. This requires not only continual study and investigation, but also careful overseeing by Congress. It is time to stop making an easy victim of the consumer and to see that he obtains his dollar's worth in the marketplaces of our Nation.

I would like to see Congress take the lead in protecting the consumer, but unfortunately no action has been taken as yet on my resolution. The public, however, is clamoring for action. As more and more deceptions are uncovered, consumers everywhere are becoming thoroughly disgusted with the methods of certain unscrupulous business people and are beginning to turn to State legislatures for protection. An example is the situation which has arisen in New York.

A group of public-spirited New York State legislators has launched a campaign which, I believe, merits widespread attention, as their efforts will affect millions of consumers.

In the forthcoming session of the State legislature, a bill will be introduced to create a joint legislative committee on consumer protection to study overall textile performance with a view toward adoption of consumer labeling safeguards.

The joint sponsors of the measure are Assemblymen Max M. Turshen and Irwin Brownstein, of Brooklyn, Aileen B. Ryan, of the Bronx, Alfred D. Lerner, of Queens, and State Senator Frank J. Pino, of Brooklyn.

These State legislators, responding to hundreds of consumer complaints, are particularly concerned with clothing which is subject to undue shrinkage. They have noted that no law currently exists to require that clothing subject to this defect be properly labeled.

As a result, consumers—many of whom operate on a tight budget—are uninformed with regard to the type of performance they can expect from a particular garment. All they are told is the content.

It has been estimated that millions of dollars of clothing are dumped on the market each year which is subject to shrinkage, and can be worn only a few times. A few cleanings, or exposure to rain, will often render the garment useless.

This situation registers its severest impact on middle- and low-income families, who must spend hard-earned dollars carefully at a time when the spiraling inflation does not allow for needless financial losses.

The proposed committee on consumer protection would conduct a year-long study of overall textile performance.

At the end of the study the group would present its findings to the State legislature, along with recommendations for the adoption of minimum performance standards and labeling safeguards, particularly in the area of shrinkage.

This worthy program has already elicited widespread community support. In fact, the million-member Central Trades and Labor Council of New York City and the Union Label Trades Council, with 200 member unions, have indicated their whole-hearted support of this effort.

In connection with this legislative drive, the National Institute of Dry Cleaning has joined with the Textile Refinishers Association and Better Fabrics Testing Bureau in a study with the following objectives: First, to determine the shrinkage characteristics of unsponged woolen fabrics in repeated drycleanings; and second, to devise a laboratory test method by which the shrinkage propensities of a woolen fabric can be accurately determined by laboratory inspection.

The problem of clothing shrinkage after cleaning has existed for many years. I believe the program I have discussed here will be of great significance in correcting an inequitable situation.

Mr. Speaker, I think, however, that this is a national problem and should be looked into on a national scale by the Congress. Early adoption of my resolution will be an effective step in this direction.

Address by Hon. Frank J. Becker at Dedication of Army National Guard Armory, Freeport, Long Island, April 30, 1961

EXTENSION OF REMARKS
OF
HON. STEVEN B. DEROUNIAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 2, 1961

Mr. DEROUNIAN. Mr. Speaker, I am pleased to place in the RECORD the speech of my colleague and congressional neighbor, Hon. FRANK J. BECKER, delivered April 30, 1961, at Freeport, N.Y. It contains a message which should be read by all:

REMARKS OF THE HONORABLE FRANK J. BECKER, REPUBLICAN, THIRD DISTRICT, NEW YORK, DEDICATION OF ARMY NATIONAL GUARD ARMORY, FREEPORT, LONG ISLAND, APRIL 30, 1961

We are here today to dedicate an Army National Guard Armory—a symbol of our country's willingness to prepare itself to guard its life, its principles and its heritage.

But today I want to ask you to do more than help dedicate this building—to do more, even, than dedicate yourselves. The fact that you are active participants in this guard unit is proof of your awareness of certain harsh but obvious facts of life. I want to ask you to listen carefully to what I have to say—and then join me in a very important mission—a drive to save our way of life.

It is no secret to any of us that world situations and tensions are grave. Every day the headlines scream of a new crisis—of a new outrage against humanity—of a new powder keg situation in the infant countries of Africa and Asia.

World situations have been grave before. In 1914, it was the Balkans, now Laos. In 1938, it was Czechoslovakia, now the Congo. But unlike 1914, unlike 1938, we cannot, even for a short while, withdraw behind the false security of an ocean barrier and say "It's the other fellow's problem—not ours."

Because it is our problem—unless we want to see our cherished ideals of democracy and freedom washed down the drain—unless we want to live as slaves in an atheistic, cruel tyranny of Communist control.

My friends, I am not asking you to prepare for war.

I am telling you we are at war now.

We are now—today—April 30, 1961—engaged in the greatest war civilization has ever known. It is a life and death struggle for survival. We fight more than men and machines. We fight a philosophy—insidious, evil, grasping, selfish, cruel, merciless—dedicated to the complete and total destruction of everything in which we believe.

Every day, a battle is fought somewhere. In the United Nations. In negotiations in Geneva. In Washington. In Moscow. This is war. We have an enemy more determined to destroy western civilization than all enemies since the beginning of time—put together.

We couldn't see the signs 20 years ago. We waited until American men had been slaughtered at Pearl Harbor before we mobilized the great American productivity

into a fighting machine that triumphed for our beliefs.

But just because we waited 20 years ago doesn't mean we have to wait now. In fact, we cannot—we dare not—wait.

But I say to you today: We must make a choice. We as a country must decide: We want to preserve our system. We must make this strong desire for survival known to our leaders.

We must decide now to build up our resources—our armed might, our physical might, our moral might. We must win the battle for survival, for men's minds, for the peace of the world.

But such a program takes time, dedication—and money.

Cuba has proven one thing to us. We are up against a formidable enemy.

Why should the people of this country think that the leaders of our Government can expend money, effort, and thinking for welfare state programs and, at the same time, devote effort, thinking, and money to win the fight for survival.

We must decide which is more important to us—an increase in social security—or an all-out effort so assure national security.

We must decide which is more vital to us and our children—Federal aid to education or assurances that our children will continue to be educated in a free world.

We must decide whether we would rather have vast depressed areas aid—or the continued right to live in freedom.

Because I am convinced that we cannot equitably engage in both efforts without weakening ourselves.

No government, no matter how great it may be, can divide its efforts in such a manner as to keep the "business as usual" sign out and, at the same time, spend the money necessary to assure that we will have business as usual 50 years from now.

Today we spend more than 50 percent of our national revenue on defense. If more is necessary, let us spend more.

The Bible said it best. "For what doth it profiteth a man if he gaineth the world but suffereth the loss of his soul?"

What will it profit our country to spend vast amounts of money on a welfare state—if we lose the battle for survival.

First things must come first, and the first thing is survival of our country. Once that has been accomplished, only then can we turn to a realistic appraisal of all these Federal projects. Only then will we be sure that our people will live to enjoy any benefits.

I say to you that we must make this decision. I fear it is not being made for us by our leaders. We must convince them that we are aware of the dangers facing us. We must tell them that we are willing to sacrifice for the survival of our system.

It is true that there are votes in all welfare state programs, but such political expediency cannot and must not be permitted to interfere with our all-out efforts in the life and death struggle in which we are presently engaged.

And what good are votes if we lose the battle for our very lives? We must preserve our system if we are to enjoy it.

We must take our Federal budget and reappraise it. We must remain solvent. To do this, we must reduce expenditures in nonnecessary domestic fields.

We are in the fight now. In World War II we gladly sacrificed to build our defense and war effort. Why cannot we do the same now? If we do not do this, it may be too late.

The situation is more serious now than it was then. We must wake up to this fact. We must let it be known that we will not sacrifice our country, our way of life, for political expediency.

No coddled country can or will survive. The Roman Empire offered its citizens bread and circuses—that resulted in total destruction at the hands of the barbarians.

We did not start our country by being given massive handouts by a paternalistic Federal Government.

We did not start our country by preferring comfort to work—and we won't be able to keep our country if we think that way.

We started our country and built it because we cared more for the future of our children and their children than we did for our own material comfort. And the only way to keep our country and its principles is to go back to that group effort for survival.

Why can't we have both the welfare state and an all-out mobilization for survival? For two reasons: First, commonsense. It takes money to win a war. We cannot bankrupt our economy by huge spending in both fields, or we will have no economy left. The second reason: It takes individual determination and responsibility to arm philosophically, physically, and morally to beat communism. Welfare state programs tend to kill individual responsibility by putting all decision making and implementing in the hands of an impersonal bureaucratic Federal Government.

I am sure it will take us only a few seconds to decide which is more important. So, again I ask you to join with me in this determination to put first things first. To be more concerned with the survival of our cherished ideals than with temporary Federal benefits. To help convince our country's leaders that we will not be taken in. That we recognize political expediency when we see it, and that we prefer survival. This must be a bipartisan effort, my friends, and we must begin today.

Americans Have Cause To Outrun the Communist Design To Enslave the World—Text of Communist Party Dedication Must Be Outnumbered by Freedom

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EXTENSION OF REMARKS
OF
HON. CLYDE DOYLE
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 2, 1961

Mr. DOYLE. Mr. Speaker, by reason of unanimous consent heretofore granted me so to do, I present to the attention of yourself and all the other Members of this great legislative body, and also to all others who read or learn of it, the following text which I received through the U.S. mail this day:

A TOTAL COMMITMENT DESIGNED TO ENSLAVE A TOTAL WORLD

JEFFERSON STANDARD BROADCASTING CO.,
Charlotte, N.C., March 10, 1961.

Mr. NORMAN R. GLENN,
Editor and Publisher, Sponsor,
New York, N.Y.

DEAR NORMAN: Enclosed is an exact copy of a letter which a young Communist sent to a friend of his back in the United States.

The letter appeared in Presbyterian Survey, a very fine publication of the Presbyterian Church. In reproducing it, the editor made one of the most profound and thought-provoking observations I've ever read. He said, "We think this letter shows more graphically than any editorial what total commitment means." He went on to say, "Are we as committed to the truth as this young Communist and millions like him are committed to an empty hope?"

To a great majority of people in the free world, particularly people in America, this kind of dedication is unheard of. They simply cannot believe that the architects of communism, Karl Marx, Lenin, et al., could possibly have such influence on any human being. I feel that to defend and protect freedom as we know it today, it is imperative that all people in the free world understand the inner feelings of those who are determined to destroy it. I am hopeful, therefore, that you—through your widely read publications—will give the enclosed letter as much publicity as you see fit.

We simply must convince Americans and as many of our friends in the free world as possible that communism is by no means just another political party. It is a form of religion, a complete dedication, a total commitment designed to enslave a total world.

Sincerely yours,

CHARLIE CRUTCHFIELD.

A YOUNG COMMUNIST WRITES

What seems of first importance to you is to me either not desirable or impossible of realization. But there is one thing about which I am in dead earnest—and that is the Socialist cause. It is my life, my business, my religion, my hobby, my sweetheart, wife, and mistress, my bread and meat. I work at it in the daytime and dream of it at night. Its hold on me grows, not lessens, as time goes on. I'll be in it the rest of my life. It is my alter ego. When you think of me, it is necessary to think of socialism as well, because I'm inseparably bound to it.

Therefore, I can't carry on a friendship, a love affair, or even a conversation without relating it to this force which both drives and guides my life. I evaluate people, books, ideas, and notions according to how the Socialist cause and by their attitude toward it.

I have already been in jail because of my ideas, and if necessary I am ready to go before a firing squad. A certain percentage of us get killed or imprisoned. Even for those who escape these harsher ends, life is no bed of roses. A genuine radical lives in virtual poverty. He turns back to the party every penny he makes above what is absolutely necessary to keep him alive. We constantly look for places where the class struggle is the sharpest, exploiting these situations to the limit of their possibilities. We lead strikes. We organize demonstrations. We speak on street corners. We fight cops. We go through trying experiences many times each year when the ordinary man has to face only once or twice in a lifetime.

And when we're not doing these more exciting things, all our spare time is taken up with dull routine chores, endless leg work, errands, etc., which are inescapably connected with running a live organization.

Radicals don't have the time or the money for many movies or concerts, or T-bone steaks or decent homes and new cars. We've been described as fanatics. We are. Our lives are dominated by one great, overshadowing factor—the struggle for socialism. Well, that's what my life is going to be. That's the black side of it. Then there is the other side of it. We Communists have a philosophy of life which no amount of money could buy. We have a cause to fight for, a definite purpose in life. We subordinate our petty personal selves into a great movement of humanity. We have a morale, an esprit de corps such as no capitalist army ever had; we have a code of conduct, a way of life, a devotion to our cause that no religious order can touch. And we are guided not by blind, fanatical faith but by logic and reason, by a never-ending education of study and practice.

And if our personal lives seem hard or our egos appear to suffer through subordination to the party, then we are adequately compensated by the thought that each of us is in his small way helping to contribute something new and true, something better to mankind. (Reprinted from the Presbyterian Survey.)

Mr. Speaker, in reading and rereading the text following the words: "A young Communist writes: 'What seems of first importance to you is to me either not desirable or impossible of realization,'" my memory is refreshed of an experience I have not infrequently had during these 14 years of my membership on the House Committee on Un-American Activities when I have been sitting as a member of an investigating committee of that vital and essential committee in some part or other of our beloved Nation. For, Mr. Speaker, the text of what I herewith present as a dedication of this "young Communist" is strangely familiar; yes, is substantially what I have heard many times stated under oath, by American citizens who have formerly been dedicated members of the Communist Party of the United States. Time and time again, under oath, as friendly witnesses in an endeavor to help the committee understand the danger resulting from the dedication of themselves and others as Communists to the Communist cause, I have sat in amazement and trepidation, as I heard them state their former dedication to the Communist conspiracy directed against the freedom-loving and freedom-dedicated philosophy of our beloved Nation, and to hear them say without hindrance or limitation or any thought of equivocation, that they had thus formerly dedicated their life, when they became Communists in the United States of America, to live for, and often, in fact, even to make unbelievable sacrifices for the Communist philosophy.

Mr. Speaker, I am referring to the former Communists in the United States who have had a revulsion of feeling against the philosophy and practices of the Communist Party; I speak of such of those who have volunteered to come to the support of the U.S. Congress through their cooperation with the House Committee on Un-American Activities, and thus to help us better to understand, not only the threat of subversive Communist infiltration, but to understand the direct and positive danger and hazard thereof to American ideals and to American institutions of government, schools, churches, labor unions. I have heard them tell of divorcing a wife, or a husband, respectively, because of their Communist Party loyalty and dedication. I have heard them tell of habitually deceiving their loved ones; of neglecting their families, of going without food and going without adequate necessities of life. I have heard them tell of going underground and undercover like so many moles and gophers; living a daily life of deceit and false identity. I have heard them tell of abandoning loved ones and parents and brothers and sisters and sweethearts. Mr. Speaker, these former Communists who thus desert this Godless philosophy help very much indeed when they voluntarily come forward and help the people of the United States to protect themselves against the dedication of those who have not yet revolted against those false ideologies of communism sufficiently to take that step. Mr. Speaker, I would to God that we Americans who have no use for the Communist philosophy and would not think or dream of uniting with it in any way whatsoever, would have a devotion to our constitutional way of life; to our heritage, as God-loving American citizens; of freedom and dignity for the individual, might consciously and deliberately place these elements sufficiently into our daily experience so that all mankind would know from our daily life, in our actions and by our daily dedication to all that is high and lofty, patriotic and righteous that we do dedicate our substances and ourselves to a valiant and steadfast desire and readiness to make any sacrifice necessary to perpetuate the philosophy of the individual dignity of man and reverence for God, for our beloved Nation in a safe and sound world of enduring peace. Dedicate bespeaks loyalty and love. We have cause to outmatch and outrun the Communist dedication.

The First Accusations That the United States Had Encouraged the Revolt of the French Generals in Algeria Were Printed in Soviet Newspapers and Broadcast by the Moscow Radio

EXTENSION OF REMARKS
OF

HON. HARRIS B. McDOWELL, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1961

Mr. McDOWELL. Mr. Speaker, the first accusations that the United States had encouraged the revolt of the French generals in Algeria were printed in Soviet newspapers and broadcast by the Moscow radio.

The New York Times reports this morning that—

Allen W. Dulles, Director of the Central Intelligence Agency, checked with his subordinates and gave an unqualified guarantee that none of his agents had given any encouragement to the rebels in France, Spain, Algeria, or elsewhere.

After consulting Mr. Dulles, Secretary of State Dean Rusk assured the French Ambassador, Herve Alphand, last week that no U.S. representatives had been involved in any way with the rebels.

When the rumors persisted, he repeated this assurance yesterday to the Ambassador.

Today Mr. Dulles departed from his custom and issued a personal denial of reports that some of his officials had been involved.

We, and the world, were assured by Mr. Dulles that—

The reports in Pravda, Izvestia, and the French press are all without basis in fact.

In view of the continuing rumors it is my belief that the Congress must take steps to end them once and for all, and to give assurances to everyone concerned that the United States was not involved, nor were any of its agents involved, in the revolt of the French generals which fortunately collapsed.

I am convinced that the Congress can no longer shirk its responsibility to inform itself fully on intelligence matters.

On April 27 Senator EUGENE MCCARTHY introduced for himself and Senators ANDERSON, MORSE, CLARK, METCALF, BURDICK, BARTLETT, and MCNAMARA, and perhaps others, Senate Joint Resolution 77 to establish a Joint Committee on Foreign Information and Intelligence. In introducing the measure Senator MCCARTHY told his colleagues that—

The joint resolution is not, directly or indirectly, meant to express any criticism of this administration or of any past administration, but basically, to reflect what I consider to be a proper responsibility on the part of the Members of the U.S. Congress to accept responsibility in this field, to be informed, and to be involved when major policy decisions are called for.

And Senator MCCARTHY added the following incontrovertible point—

Under the Constitution, Congress is called upon to participate in a declaration of war. In modern times, war is not declared. Congress, therefore, has a continuing and very substantial responsibility for policy decisions with regard to the cold war or conducting foreign policy by any other means.

The measure introduced by Senator MCCARTHY is similar in purpose and substance to my own House Joint Resolution 250. I am in complete agreement with Senator MCCARTHY when he says that—

It is my hope the joint resolution will be considered and, in some form, adopted, so that the machinery and procedures which are the constitutional responsibility of Congress may be exercised.

I include here, as part of my remarks, two articles from the New York Times of May 2, 1961:

PARIS RUMORS ON CENTRAL INTELLIGENCE AGENCY—DESPITE FIRM U.S. DENIALS, SPECULATION PERSISTS AGENCY AIDED ALGIERS REVOLT

(By Thomas F. Brady)

PARIS, May 1.—Now that the French mutiny of the generals may be a thing of the past, the question whether the United States helped save the day for President de Gaulle is perhaps less important than what is believed in France, in North Africa and elsewhere about the U.S. role in the events. Former Gen. Maurice Challe, leader of the mutiny, hoped for U.S. support and said so publicly, but President Kennedy quickly sent a message pledging full support to President de Gaulle.

Immediately after the collapse of the mutiny, President Kennedy publicly expressed his satisfaction and congratulated President de Gaulle. The position of the U.S. Government was never in doubt.

RUMORS WIDLY CIRCULATED

These facts have not, however, prevented the wide circulation, and at least partial acceptance here and in North Africa, of rumors that General Challe and his fellow mutineers had received specific encouragement from U.S. intelligence agents.

Emphatic official denials from U.S. authorities have not put a stop to the rumors.

No French official has denied them. French comment has been decidedly equivocal. At a news conference Saturday night in Algiers, Louis Joxe, French Minister for Algeria, said—

"I do not know whether foreign agents encouraged the insurrectional movement or

whether those responsible for the coup profited from foreign subsidies. This sad affair among Frenchmen is enough, for the moment, to keep me busy. I have no reason to try to find out whether the insurgents received foreign aid."

SOURCE IS UNCERTAIN

The source of the rumors is difficult to determine. Some observers attribute them to Communists, others to the highest French authorities.

A dispatch to the Observer in London said yesterday that one reaction after the collapse, "at least in President de Gaulle's own entourage and perhaps inspired by him, is to blame the Americans. Repeated American denials that any American military or civilian officials encouraged General Challe's rebellion have not succeeded in preventing French official spokesmen from telling journalists there must have been some unofficial American backing."

The rumors, which include at least one written report circulating here, repeated speculation in the French press, a dispatch from Washington to the Tunisian weekly Afrique-Action and widespread speculation in leftwing circles, boil down to this:

President Kennedy is said to have reacted as he did because he had learned of encouragement to the mutineers by the Central Intelligence Agency, which is said to have become a reactionary state-within-a-state in the United States.

U.S. agents are said to have encouraged the mutiny either because they feared communism in the ranks of the Algerian Rebel National Liberation Front, with which President de Gaulle is expected to negotiate Algerian independence, or because they hoped to precipitate the downfall of President de Gaulle and thus eliminate, his opposition to integration of the forces of the North Atlantic Treaty Organization.

MEETINGS WITH AGENTS ALLEGED

U.S. sympathy for the movement is said to have begun as early as last December, when Jacques Soustelle, a former Governor General of Algeria and a foe of President de Gaulle's policies, was reported to have had lunch with Richard M. Bissell, Jr., a CIA official.

At a meeting in Madrid on April 12 or 13, a U.S. agent is said to have told Gen. Raoul Salan, one of the mutineers, that the United States would recognize a new government in France within 48 hours after its successful establishment if there were no attack on Tunisia or Morocco.

The speculation does not take cognizance of the fact that former General Challe spent nearly a year as a North Atlantic Treaty Organization commander at the Fontainebleau headquarters near here. He undoubtedly heard frequent and bitter criticism of President de Gaulle by allied officers who disagreed with his policies on NATO.

The possibility is cited that M. Challe was guilty of wishful thinking and believed the attitudes of the military leaders reflected the political thinking of the allied governments.

No matter what the source of the rumors may be, no matter how false they may be, their existence is a fact. The credence they have gained, despite U.S. denials, is considered a serious threat to French-United States relations and to the prestige of the United States among the Algerian nationalists and in north Africa, in general.

The equivocation with which French officials have treated the rumors has been regarded as a major factor in their propagation.

UNITED STATES IS CONCERNED BY PARIS RUMORS

(By Wallace Carroll)

WASHINGTON, May 1.—The U.S. Government is becoming concerned over the persistence of newspaper reports and rumors in France that someone from this country encouraged the April 24 meeting of French generals in Algeria.

The resulting suspicion and resentment among the French, it is feared here, may damage French-United States relations at a crucial period and create an unfavorable atmosphere for the visit that President Kennedy is scheduled to make to Paris on May 30.

Mixed with concern is some irritation among high officials. This is caused by a belief that some French officials, far from discouraging the rumors of U.S. involvement in the revolt, have been fanning French suspicions.

SUPPORT OF DE GAULLE STRESSED

Officials at the White House, the State Department, the Defense Department, and the Central Intelligence Agency were emphatic today in stating that no officer, official, or agent of the United States had anything to do with the revolt.

If there has been one consistent line of policy in the Eisenhower and Kennedy administrations, it was noted, it has been support for President de Gaulle in his efforts to settle the Algerian problem.

The news of the revolt, these officials recalled, was received with consternation in all departments and agencies in Washington.

The first accusations that the United States had encouraged the rebels were printed in Soviet newspapers and broadcast by the Moscow radio immediately after the outbreak of the revolt.

Then French newspapers, including the highly respected Le Monde, gave currency to rumors that U.S. agents had been in touch with the rebels and had promised them support.

In view of this, the White House and the State Department made inquiries of all departments and agencies that had officers or employees in France and north Africa.

Allen W. Dulles, Director of the Central Intelligence Agency, checked with his subordinates and gave an unqualified guarantee that none of his agents had given any encouragement to the rebels in France, Spain, Algeria, or elsewhere.

After consulting Mr. Dulles, Secretary of State Dean Rusk assured the French Ambassador, Hervé Alphand, last week that no U.S. representatives had been involved in any way with the rebels.

When the rumors persisted, he repeated this assurance yesterday to the Ambassador.

DULLES ISSUES DENIAL

Today Mr. Dulles departed from his custom and issued a personal denial of reports that some of his officials had been involved.

"Any reports or allegations that the Central Intelligence Agency or any of its personnel had anything to do with the generals' revolt were completely false," he said.

"The reports in Pravda, Izvestia, and the French press are all without basis in fact."

Bits of fact have been used to buttress the reports in the French press. For example, it has been noted that officials of the Central Intelligence Agency had a luncheon meeting in Washington with Jacques Soustelle, a former member of the de Gaulle Government who is bitterly opposed to President de Gaulle's policy in Algeria.

U.S. officials said today that such a luncheon had been held, but on April 4, 1960, more than a year before the revolt. Moreover, they added, the lunch was arranged by an official of the French Embassy at the request of M. Soustelle. The Embassy official, they said, was present throughout the meeting. Thus, they declared there could have been no dark conspiracy.

Some officials believe that the rebel generals and their confederates started spreading the word well before the revolt that the United States favored their aims.

Reports to this effect reached the U.S. Government as long ago as last fall.

In November, French delegates at the meeting of the Sixth Pugwash Conference on Political and Scientific Affairs were reported to have asked American delegates about such a possibility.

According to these French delegates, certain anti-Gaullist generals were putting out the story that they were warmer supporters of the North Atlantic Treaty Organization than General de Gaulle. For this reason, these generals suggested, the United States was on their side.

Pierre Salinger, White House press secretary, left for Paris tonight to make preparations for news coverage of President Kennedy's visit.

He is aware of the efforts by the administration to assure the French that the accusations of U.S. meddling are without foundation. He may therefore talk with French officials about the persistence of the rumors.

Address by Senator Vance Hartke in New York

EXTENSION OF REMARKS
OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1961

Mr. ANFUSO. Mr. Speaker, under leave to extend my remarks, I wish to insert into the RECORD the text of an address by the very able and distinguished Democratic Senator of Indiana, the Honorable VANCE HARTKE, which he delivered before the New York County Democratic Committee at a dinner on April 27, 1961, at the Commodore Hotel in New York City.

Senator HARTKE, who is the chairman of the Democratic senatorial campaign committee, delivered a very stirring address on the occasion. By his wise counsel, his political sagacity, and his ability to understand the specific problems of the Democratic Party in New York, he played a great part in helping to unite Democratic forces in our State. I was privileged to hear Senator HARTKE on this occasion and was very pleased to hear the many commendations expressed later.

The text of Senator HARTKE's address follows:

ADDRESS BY SENATOR VANCE HARTKE, OF INDIANA

I consider myself greatly privileged to be in New York tonight in such distinguished company, having been invited by both your leader—my friend Carmine DeSapio—and by the national chairman—my friend John Bailey.

Political dinners are old favorites of mine since I come from a political organization background. In our committee, as in yours, we pride ourselves on uniting old-fashioned political organization with the reform-type service demanded by today's voters.

This is, I submit, uniquely possible within the framework of the Democratic Party. We are at once the oldest political party in continuous existence in the world today and yet we are the party of programs and progress. Our party and its leaders have always had a way of cutting through the fat and getting to the meat of the problem. They have always led when leadership was demanded. They have always had programs when pro-

grams were needed. They had all this because they were Democrats and the Democratic Party has always been grounded among the great masses of people.

Thomas Jefferson won the country's first contested election in 1796. His campaign theme was "The Rights of Man." As we look back to then from the problems of 1961, we must conclude that things have not changed much.

Jefferson said there were two kinds of people in political parties. "First, those who fear and distrust the people and wish to draw all powers from them into the hands of the higher classes. Secondly, those who identify themselves with the people, have confidence in them, cherish and consider them as the most honest and safe." Jefferson, of course, belonged to the latter.

In nearly every election since Jefferson's time the basic struggle has been between the people's party and the party of special interest. Last fall was no different. But this Nation saw a bitter campaign in which issues that have no place in American politics were blown far beyond their importance. After this campaign, you people delivered the Nation's largest package of electoral votes to John F. Kennedy. New York State provided 45 of President Kennedy's 303 electoral votes. The Kennedy majority in New York City was 792,000.

Immediately after that election, one of the closest in history, we listened while the Republicans cried "foul" and parroted the party line that they had been robbed. Yet, 2 months after taking office, President Kennedy pulled up with an astounding vote in the Gallup Poll. Dr. Gallup, just a month ago, reported 73 percent of the American people approve of the job the President is doing. That was 6 percent more than the figure recorded by Dr. Gallup for President Eisenhower at a comparable time in his first term. Last Saturday the Nation's newspaper editors voted 104 to 11 that the President is doing a good job.

President Kennedy and his new administration have awed the skeptics and fascinated the admirers. His grasp of presidential responsibilities and his forthright efforts to meet these responsibilities have been wonderful.

Every man and woman comes into this world without any understanding concerning his future, his life, his destiny. Yet, in spite of difference of wealth, position or birth, there is a difference in that individual who ultimately in life says that my soul and mind shall not be dedicated to serving only myself. This to me is President John F. Kennedy. This truly great individual possesses a soul and mind that is trying to comprehend the wonders of this world and trying in some measure to reproduce these wonders into something better for mankind. He is a mirror of the world—alive, not dead, active, not dull; courageous, not a coward. He is always thinking, learning, experimenting and practicing his knowledge. He is the kind of person who has learned that his own personal life is subordinate to achievement of the higher goals.

It is to him that others look for leadership. The world, his community, his party, his friends—and even his enemies—look up to him and expect to learn from him. Sometimes his ability is not immediately recognized or appreciated; in some cases, repelled by envy.

He cannot move in order to expect gratitude—but must move for posterity in the firm confidence that the future will benefit from his efforts. He must be like an acrobat who takes leaps which others cannot execute. He thereby derives a direct and lively pleasure in every accomplishment—in every problem solved, in every election won.

The boredom which haunts the ordinary man can never come close to him. Yet to him there can be a lonely existence in that he can expect little, if any sympathy for apparent failures. He cannot be surprised if society at times wants to repel him. The great and extraordinary work done by him can only be done if he disregards the talk, speeches, and opinions of critics. He must quietly continue on, in spite of their criticism.

The sloganeers have now come up with a new slick trick. They are trying to sell the people on the idea that the President may be popular, but his programs are not. I call this the soft-soap sell. It is not going to work because President Kennedy's programs are the Democratic Party's programs. The Democratic Party is the people's party and the majority party, and it always has been.

What these Republican sloganeers are trying to do is as transparent as glass. They know that President Kennedy is popular. They know he has nudged the ship of state out into the breeze and is piloting it with a firm hand on the rudder while heading it in the direction of progress.

So, the Republicans now know they have another popular Democrat. The Republicans want to turn what was a fact in the last administration into a salable myth for this one.

President Eisenhower was a popular war hero. He had no political affiliations before becoming a candidate and no experience in civil government before becoming President. Ike's idea of the Presidency was to allow the Government and the country to coast along with a minimum of guidance and a minimum of push. He liked to be known as one who was above party.

Yet, with such a popular hero in the White House, we Democrats gained control of Congress in 1954 and kept control throughout the remainder of the Eisenhower years. It was because the Democratic Party and its principles were still speaking for the majority of Americans.

The Republicans think they can suddenly hang a no-party label on President Kennedy, belittle his programs and seize control of Congress in 1962. I say it will not be done. I say we Democrats are going to increase our majority in Congress and get along with the job we have set out to do. And I think New York Democrats are going to do their part in 1962 as they did in 1960.

President Kennedy sought the office and brought to it a lifetime as a Democrat and many years of service in politics. In addition, he is blessed with intelligence, education, sincerity, experience, energy, and capable advisers. What is more, the girls say he is good looking.

With all this going for him, it is no wonder he is popular. The new spirit he has brought to the White House adds to his popularity. Yet, President Kennedy would never set himself apart from his party. He is, indeed, part of the Democratic Party and, happily, its best spokesman and salesman.

In capturing the spirit of the party, President Kennedy has captured the spirit of the Nation—tired of foundering, tired of drifting, worried about health and housing, work and waste, taxes and troubles.

We Democrats know that we cannot solve all the troubles of this Nation overnight. But we also know that these problems cannot be solved unless we dare to try.

In Congress we are working to hammer out the program designed by the President. We have made substantial progress on the antirecession bills, having passed extended jobless benefits, a bill to aid depressed areas, a new higher minimum wage, and measures to help out families suffering from unemployment. We are working on housing, tax reform, highways, incentives for business and industrial expansion.

It is we Democrats who are intent upon an expanded economy so that we can provide not only jobs for the jobless, but 1.2 million jobs for those youngsters who will enter the labor market this year and for the estimated 2.3 million jobs that we are told will be lost to automation and better efficiency.

It is a Democratic administration that is insisting on full protection of the rights of all Americans to work, to vote, to live in peace, and dignity. It is we who are insisting on full application of equal rights. It is we who are tackling problems of spreading communism around the globe, inadequate defense, second best in space, commuter transportation needs, better highways, polluted rivers, recreation needs, juvenile delinquency, not enough schools and teachers. It is we who are setting the pace as good neighbors at home and abroad.

Of course, some of these things may be unpopular with some of the special interests and with some Republican leaders. It is basic Republican belief that government should do as little as possible. It is basic Democratic belief that government should do what is necessary.

These programs are popular. They are being pushed by popular men, men who dare to act and who dare to tell the bald truth and not sweep unpleasant facts under the rug.

If any State in our Union understands leadership of this kind, it is New York. In our lifetime, New York has given us superlative leadership—from Franklin Delano Roosevelt to your present great leaders.

Republicans, too, have had great leaders in this State. The trouble is, when a New York Republican wins prominence in city hall or up in Albany or down in Washington, he ends up fighting a rear-guard action with his own party. This was true in the days of Teddy Roosevent and it still is true today.

In our party the program is clearly laid out. The leadership is firmly established and its goals are clear. The mood of the people is caught up in the program of the party and the determination of the leaders to get the job done.

The opportunity for service is as great as any time in our history. With dedication of purpose and belief in the undying principles of our party, confidence in the leadership, unity in the organization, we will accomplish the job we have set out to accomplish. We shall reach the goal we have set out to reach. We shall move from platform and promise to programs and performance.

The call has come clearly from the man in the White House. Ours, said President Kennedy, is the challenge to "get this Nation moving again. As the party of hope, it is our responsibility and opportunity to call forth the greatness of the American people. In this spirit, we must rededicate ourselves to the continuing service of the rights of man everywhere in America and everywhere on God's earth."

The President's Executive Order on Identical Bids

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1961

Mr. PATMAN. Mr. Speaker, on April 25, 1961, President Kennedy issued Executive Order No. 10936 requiring that Federal agencies report to the Attorney General all instances of identical bidding. This is an extremely important action

and once again demonstrates this administration's determination to create an environment encouraging competitive behavior in American business.

In an effort to insure that this procedure will become permanent public policy, I introduced H.R. 4570. On April 25, 1961, I testified before the Government Operations Committee in behalf of this bill.

I would like to attempt briefly to clarify one point in connection with the likely impact of publicizing identical bids. There seems to be a question on the part of some persons genuinely interested in encouraging competition as to whether the mere act of publicizing identical bids will be of any help in eliminating conspiracy. Is it not likely, some ask, that would-be conspirators will simply use other techniques to avoid competition? True, the point could be made that to expose identical bidding would merely drive some conspirators to other devices such as submitting a range of bids and rotating the low bidder. However, this expectation misses an all-important point. If firms use other more sophisticated techniques, they have to engage in overt actions to develop and implement them. More sophisticated methods are also more complicated methods. The chief reason conspirators so frequently use the identical bid method of implementing conspiracy is its great simplicity. When it is used, authorities may suspect collusion but they have difficulty finding evidence of it. And under our judicial process proof of collusion is needed, not just suspicion. However, to carry on a conspiracy to rotate bids in a seemingly random fashion requires more or less continuous meetings, correspondence, or other direct communication. This is the stuff out of which proof is made. The electrical machinery case provides abundant evidence on this score. In other words, if more complicated methods of conspiracy are employed, detection will be easier for both the law enforcement agencies and the top corporate executives who really wish to keep their corporate houses free of conspiracy.

For the information of my colleagues, I have requested permission to extend my remarks to include Executive Order No. 10936, and my prepared testimony on H.R. 4570:

[From the Federal Register, Apr. 26, 1961]

EXECUTIVE ORDER 10936—REPORTS OF IDENTICAL BIDS

Whereas it is in the interest of the United States to obtain truly competitive bids in connection with its procurement and sale of property and services pursuant to public invitations for bids and the prevalence of identical bidding is harmful to the effective functioning of a system of competitive bids;

Whereas identical bidding may constitute evidence of the existence of conspiracies to monopolize or restrain trade or commerce; and

Whereas the collection and dissemination of information with regard to identical bids submitted to the Federal Government will discourage future submissions of such bids, aid in the enforcement of the antitrust laws and the maintenance of a competitive economy and serve to reduce the costs of the Government.

Now, therefore, by virtue of the authority vested in me by the Constitution and statutes, and as President of the United States, I hereby order and direct:

1. Whenever, in connection with a procurement of property or services exceeding $10,000 in total amount and made pursuant to an advertisement or other public invitation for bids, a department, agency, or instrumentality of the Government shall hereafter receive two or more bids (a) which are identical as to unit price or total amount, or (b) which, after giving effect to discounts and all other relevant factors, the department, agency, or instrumentality shall consider to be identical as to unit price or total amount, then such department, agency, or instrumentality shall make a report of the bid proceedings to the Attorney General not later than 20 days following the award. Whenever two or more bids of the nature described in clauses (a) and (b) hereof are received in bid proceedings which result for any reason in the rejection of all bids and the total value of the property or services bid upon is estimated by the department, agency, or instrumentality to be in excess of $10,000, it shall make a report of such proceedings to the Attorney General not later than 20 days following the rejection. Notwithstanding the preceding provisions of this section, a report shall not be made of bid proceedings in which only foreign sources have participated and in connection with which delivery and performance is to take place outside the United States.

2. The reports required by section 1 shall be in a form prescribed by the Attorney General and shall include the following information or such other information as he may prescribe:

(a) The name and location of the particular component of the department, agency, or instrumentality which advertised for the bids;

(b) the amount and a description of the property or services for which bids were solicited, and the proposed date of delivery or performance;

(c) the date of opening of the bids; and

(d) the names and addresses of all bidders and as to the bid of each:

(1) the unit price and terms of discount, if any, together with a notation of the point of origin specified by the bidder and a statement whether freight and any other costs of transportation to the point of delivery are included or excluded; and

(2) in the case of an accepted bid identical, or considered to be identical, as to unit price or total amount with another, the method by which selected.

3. Whenever, in connection with a sale of property for more than $10,000 in total amount pursuant to an advertisement or other public invitation for bids, a department, agency, or instrumentality of the Government shall receive two or more bids, (a) which are identical as to unit price or total amount, or (b) which, after giving effect to all relevant factors, the department, agency, or instrumentality shall consider to be identical as to unit price or total amount, then such department, agency, or instrumentality shall make a report of the bid proceedings to the Attorney General not later than 20 days following the award to the purchaser. Whenever two or more bids of the nature described in clauses (a) and (b) hereof are received in bid proceedings which result for any reason in the rejection of all bids and the total sales value of the offered property is estimated by the department, agency, or instrumentality to be in excess of $10,000, it shall make a report of such proceedings to the Attorney General not later than 20 days following the rejection. The reports required by this section shall be in the form prescribed by the Attorney General and shall include information similar to that prescribed by section 2. Notwithstanding the preceding provisions of this section, a report shall not be made of bid proceedings in which only foreign sources have participated and in connection with which delivery and performance is to take place outside the United States.

4. The Attorney General is granted authority to establish reasonable exemptions and variations from the requirements of section 1 or of section 3 from time to time based upon his experience in connection with this order, including authority to take the following actions: (a) Exclude any category of property or services from the reporting requirements of section 1 or of section 3; and (b) increase or decrease the $10,000 limit prescribed in section 1 or in section 3.

5. The Attorney General shall consult with the Secretary of Defense, the Administrator of General Services and the heads of such other departments, agencies, and instrumentalities of the Government as he may deem advisable for the purpose of obtaining information in a feasible manner with regard to identical bidding in publicly advertised procurement and sale proceedings completed by these departments, agencies, and instrumentalities during periods prior to the date of execution of this order. The Secretary of Defense, the Administrator of General Services, and the other heads of departments, agencies, or instrumentalities consulted by the Attorney General shall cause the submission of reports to him in respect to such categories of these proceedings and for such periods as may be agreed upon. The reports shall conform to the requirements of section 2.

6. The Attorney General shall formulate and put into effect procedures whereby State and local governments are invited to transmit reports to him of identical bids received by such governments similar to the reports required by sections 1, 3, and 5.

7. From time to time, as he shall find suitable, the Attorney General shall make a report to the President consolidating the information he has received pursuant to this order, and he shall transmit copies thereof to the President of the Senate and the Speaker of the House of Representatives. However, there shall be excluded from such report any information submitted by a department, agency, or instrumentality of the Government which it has requested to be withheld for reasons of national security.

8. The principal purpose of this order is to make more effective the enforcement of the antitrust laws by insuring that the Attorney General has at his disposal all information which may tend to establish the presence of a conspiracy in restraint of trade and which may warrant further investigation with a view to preferring civil or criminal charges. In exercising the discretionary authority granted under the provisions of this order, the Attorney General shall be mindful of this purpose and shall exercise such authority in a manner which insures that programs of reporting and analysis hereunder shall not by their magnitude interfere with his enforcement of those laws but instead shall contribute thereto. The heads of the departments, agencies, and instrumentalities of the Government shall cooperate with and aid the Attorney General in analyzing the data reported to him and shall make available to him to the fullest extent possible any facilities they may have which would expedite that work. In particular, they should bring to his attention any further information which, in their judgment, may constitute additional evidence of collusion among Government contractors.

9. The heads of the departments, agencies, and instrumentalities of the Government are directed to give particular attention to compliance with the provisions of 41 U.S.C. section 252(d) and 10 U.S.C. section 2305(d) requiring referral to the At-

torney General of bids received in an advertised procurement proceeding which appear to them to evidence a violation of the antitrust laws. It is to be noted that the bids which must be referred to the Attorney General under those statutes as evidencing collusion include, although they are not limited to, identical bids. Nothing in this order shall be construed to mean that a report submitted hereunder to the Attorney General in connection with identical bids evidencing collusion in a procurement proceeding shall constitute a referral satisfying the requirements of those statutes or of the regulations issued pursuant thereto. Similarly, nothing in this order shall be construed to mean that a report submitted hereunder in connection with identical bids evidencing collusion in a sale proceeding shall satisfy the requirements of 40 U.S.C. section 488 in certain cases, or of the regulations issued pursuant to that statute, that specified information be supplied to the Attorney General for his use in considering the applicability of the antitrust laws to the sale.

JOHN F. KENNEDY.

THE WHITE HOUSE, *April 24, 1961.*

STATEMENT OF REPRESENTATIVE WRIGHT PATMAN, OF TEXAS, BEFORE COMMITTEE ON GOVERNMENT OPERATIONS, U.S. HOUSE OF REPRESENTATIVES, IN BEHALF OF H.R. 4570, APRIL 25, 1961

Mr. Chairman, I appreciate this opportunity to appear before this committee in behalf of H.R. 4570 which I introduced on February 20, 1961.

It is a fundamental premise of a competitive economy that business units make pricing decisions independently of one another. To tolerate collective action and collusion is to encourage the cartelization of American industry. I am sure that few Americans want such an economy. It not only extorts consumers but eliminates the competitive stick which encourages firms to operate efficiently and in the public interest.

GOVERNMENT PURCHASES ARE BIG BUSINESS

I introduced H.R. 4570 in an effort to protect the public interest in governmental purchases. The various units of Federal, State, and local government purchase vast amounts of goods and services. Last year the Federal Government purchased goods and services amounting to about $53 billion; State and local governments purchased goods and services amounting to $14.8 billion and $32.5 billion, respectively. In many industries Government procurement represents a large share of total purchases. The economic indicators gotten out by the Joint Economic Committee with the help of the Council of Economic Advisers in the White House discloses every month the magnitude of Government purchases. I think you will see that from 20 to 22 percent of the gross national product is represented in the Federal, State, and local governments.

Many of these goods and services are purchased through the competitive bid procedure. This is as it should be because it offers all sellers an equal opportunity to compete for governmental purchases and it prevents discriminatory procedures by procurement agents.

Information made available under H.R. 4570 would prove helpful in the enforcement of existing consent decrees and orders, as well as provide valuable indications of additional areas of possible violation of the law.

LOCAL GOVERNMENTS POWERLESS

Local governments are especially powerless to handle the problem of conspiracy leading to identical bidding. Mr. Ralph S. Locker, Cleveland's director of law, discussed this problem in the December 1960 issue of the Journal of the Cleveland Bar Association. As he put it, "Collusive bidding practices are a real and ever-present problem facing local, State, and Federal governments. On the Federal or State levels, the governmental units have at their disposal a large body of comparative figures that focus attention on instances when collusion among the bidders is likely to be present. Local governmental subdivisions usually lack the necessary investigative staff to make them aware of collusion among bidders."

I recommend the reading of this entire article and I submit a copy for the committee's interest.

IDENTICAL BIDS WOULD BE REPORTED

H.R. 4570 is designed to get at the sort of problems I have mentioned. The bill would amend section 302 of the Federal Property and Administrative Services Act of 1949 to provide for public information and publicity concerning instances where competitors submit identical bids to public agencies for the sale or purchase of supplies, equipment, or services. The bill in no way changes the present antitrust laws. Specific requirements of the bill are as follows:

First. It requires the Federal agencies to report to the Attorney General all instances of identical bidding—not just those instances where the head of the agency or his subordinate thinks the antitrust laws may have been violated.

Second. The bill would require the Attorney General to institute a procedure whereby it is made known to the State and local governments that they are invited to make similar reports to the Attorney General.

Third. The bill would require the Attorney General to make a consolidated report of all of these instances of identical bidding, and to submit such report quarterly to the President of the Senate of the United States and to the Speaker of the House of Representatives.

The bill specifies the items of information to be reported.

It should be noted that when a public agency receives a batch of bids in which two or more of the bids are identical, it will then make a report giving the pertinent information for all the bids, not just those which are identical. It is well known that in some industries various firms submit bids to public agencies which are habitually and so inevitably identical in all details that the public agencies have set up lottery systems, such as putting the bidders' names in a rotary barrel, or into a hat, and drawing one at random. On the other hand, the competitors in the electric equipment manufacturers' case followed the not unusual practice of rotating the privilege of being low bidder on a particular bid, while the others all submitted identical bids.

Information which is to be reported includes, among other things, the names of the companies submitting the bids, the kind of equipment or supply for which the bid is submitted, the bid prices, and so on. The bill does not specify any date or any elapsed time within which the agencies must make their reports to the Attorney General. It is expected, of course, that these reports would be made promptly; and should some of the agencies become unreasonably laggard in submitting their reports, this fact will soon be revealed by the public report made by the Attorney General. Among the items to be reported are the date when the bids were opened and the name of the agency or bureau opening the bids.

The bill does not specify the form in which the Attorney General is to present his quarterly report. Rather, it leaves it up to the Attorney General to adopt a form which will present the information in a most orderly and useful way. I would imagine that the information would be arranged in such a way that all of the bids pertaining to a particular industry, or to a particular kind of commodity, would appear together in one section of the report. Further, I would hope that the report would be indexed to contain the names of all of the companies involved in the competitive bidding so that the reader can find from the index each and all of the instances in which a particular company has been involved in an identical bid situation.

Let me emphasize again that the bill does not amend any of the other antitrust laws. It does not provide any penalty for identical bids or make any presumption that such bids are illegal. It merely provides the public with information about the conduct of public business. In fact, the bill will require making public certain details about identical bidding which the public actually has a right to have in the case of all bids submitted to public agencies in pursuit of public business.

Since 1949 the Federal Property and Administrative Services Act has required the various Federal agencies to make a report to the Attorney General, giving the details of bids received under the advertised competitive bid procedure where in the opinion of the head of the agency there may have been a violation of the Federal antitrust laws. The Armed Forces Procurement Act of 1947 places a similar requirement on the heads of the defense agencies. But, of course, in practice purchases and contracts to purchase made by the defense agencies are made largely on the basis of negotiation, rather than on the basis of advertised competitive bidding.

Leaving the question of reporting or not reporting up to the various agencies, depending upon whether the department head thinks the antitrust laws may have been violated, naturally produces a law with some deficiencies. We may assume, I imagine, that only a fraction of the identical bids being received by the Federal agencies are ever reported to the Attorney General. In fact, I am told that in the first months after the law was passed, the various Federal departments flooded the Department of Justice with reports of identical bids. But as time went on and very little resulted, the departments largely quit making the reports.

IDENTICAL BIDDING WIDESPREAD

Even so, according to a study made by a university professor who is a noted expert in this field, the Department of Justice had received, by mid-1959, a total of no less than 10,000 reports on instances of identical bidding. This information comes from a paper by Prof. Vernon A. Mund, of the University of Washington, published in the Journal of Political Economy in April of 1960. I will insert Professor Mund's article at the end of my remarks, because it is most enlightening in several respects.

First, it contains a table, No. 1, which provides illustrations of identical bids received by the Federal departments. Second, and what is perhaps more useful, Professor Mund has also provided a table, No. 2, which gives similar information on competitive bids which are not identical.

So much has been said in recent times in defense of identical bidding that some of us may have overlooked the point that many business competitors still manage to submit different bids in pursuit of a given piece of business, and give the public agencies an opportunity to purchase needed supplies and equipment at a low cost to the taxpayers.

Finally, Professor Mund's article should prove useful to the public procurement and antitrust enforcement agencies, as well as to the Federal courts. It provides some enlightened guidance on how to tell the difference between prices in a competitive market and prices which are artificially fixed or rigged.

CONGRESSIONAL ACTION NEEDED

The executive branch of government recently has taken firm steps toward striking down conspiracy and price rigging. The electrical equipment case, of course, is only the most dramatic example.

Recently some leading American businessmen also have expressed similar concern over illegal and immoral business conduct. Mr. Henry Ford, II, chairman of the board, Ford Motor Co., last week articulated this viewpoint when he said: "It would indeed be a sad thing if the good will and confidence that business has laboriously built up over the years should now be washed away at this very critical juncture in our history." He said further: "No doubt there are those who will say that it is neither necessary nor wise for us to wash our business linen in public, that by talking about these things we will draw attention to them and, by so doing, foster the impression that things are much worse than they actually are. I don't agree."

The executive branch of government has acted to prevent undesirable business conduct. Responsible business leaders also are suggesting that steps be taken to put its house in order. I think the Congress should, whenever possible, also provide the tools with which to work on this problem. I offer H.R. 4570 as one tool which I think will be useful for this purpose. It will supplement the enforcement of our antitrust laws. It will help Federal, State, and local governments develop and follow more informed procurement policies. Finally, it will focus public attention on this critical matter. An alert, informed public may well be one of the strongest deterrents to this abuse.

SENATE

WEDNESDAY, MAY 3, 1961

The Senate met at 11 o'clock a.m., and was called to order by the Honorable PRESCOTT BUSH, a Senator from the State of Connecticut.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God, whose spirit searcheth all things, and who seeketh us, even when we grope in the midst of uncertainty, incline our hearts to draw near to Thee in sincerity and truth.

We do not ask that Thou shouldst give heed to the poverty and pettiness of petitions that may spring out of the perversion of our own warped desires. But we beseech Thee to hear and answer the deep cry of our inner need.

Illumine our darkened minds, that they may yield their devotion to Thy kingdom, and Thy light be thus shed, through us, upon the dark places of the earth, that the habitations of violence may be destroyed, and that to human misery and wrong there may come oil of joy for sadness, and beauty for ashes.

As we think of our Nation, conceived in liberty and consecrated to the common rights of man, may we fear nothing but to fail humanity and Thee. To the councils of our leaders, fraught with such awesome responsibility, give wisdom that is from above. In an hour which calls for greatness may our public service be a sacrament, and our politics purged of corroding littleness.

So may our personal devotion help to throw up a highway, across which the hopes and dreams of those who have seen the City of God across the hills of time may go on in triumph, from victory to victory.

In the Redeemer's name we ask it. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 3, 1961.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. PRESCOTT BUSH, a Senator from the State of Connecticut, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. BUSH thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, May 1, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

REORGANIZATION PLAN NO. 3 OF 1961, RELATING TO CIVIL AERONAUTICS BOARD—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 152)

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which, with the accompanying paper, was referred to the Committee on Government Operations, as follows:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 3 of 1961, prepared in accordance with the Reorganization Act of 1949, as amended, and providing for reorganization in the Civil Aeronautics Board.

This Reorganization Plan No. 3 of 1961 follows upon my message of April 13, 1961 to the Congress of the United States. It is believed that the taking effect of the reorganizations included in this plan will provide for greater efficiency in the dispatch of the business of the Civil Aeronautics Board.

The plan provides for greater flexibility in the handling of the business before the Board, permitting its disposition at different levels so as better to promote its efficient dispatch. Thus matters both of an adjudicatory and regulatory nature may, depending upon their importance and their complexity, be finally consummated by divisions of the Board, individual Board members, hearing examiners, and, subject to the provisions of section 7(a) of the Administrative Procedure Act of 1946 (60 Stat. 241), by other employees. This will relieve the Board members from the necessity of dealing with many matters of lesser importance and thus conserve their time for the consideration of major matters of policy and planning. There is, however, reserved to the Board as a whole the right to review any such decision, report or certification either upon its own initiative or upon the petition of a party or intervenor demonstrating to the satisfaction of the Board the desirability of having the matter reviewed at the top level.

Provision is also made, in order to maintain the fundamental bipartisan concept explicit in the basic statute creating the Board, for mandatory review of any such decision, report or certification upon the vote of a majority of the Board less one member.

Inasmuch as the assignment of delegated functions in particular cases and with reference to particular problems to divisions of the Board, to Board members, to hearing examiners, to employees and boards of employees must require continuous and flexible handling, depending both upon the amount and nature of the business, that function is placed in the Chairman by section 2 of the plan.

By providing sound organizational arrangements, the taking effect of the reorganizations included in the accompanying reorganization plan will make possible more economical and expeditious administration of the affected functions. It is, however, impracticable to itemize at this time the reductions of expenditures which it is probable will be brought about by such taking effect.

After investigation, I have found and hereby declare that each reorganization included in the reorganization plan transmitted herewith is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949, as amended.

I recommend that the Congress allow the reorganization plan to become effective.

JOHN F. KENNEDY.

THE WHITE HOUSE, *May 3, 1961.*

REPORT OF ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 153)

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Public Works:

To the Congress of the United States:

Pursuant to the provisions of section 10 of Public Law 358, 83d Congress, I